RVK

Private Credit Due Diligence Report

State of Wyoming Treasurers' Office – Investment Funds Committee

Kennedy Lewis Capital Partners Fund IV

February, 2025

PORTLAND BOISE CHICAGO NEW YORK

Due Diligence Report

Kennedy Lewis Capital Partners Fund IV

Table of Contents

Summary of the Investment Opportunity

Kennedy Lewis
225 Liberty Street, Suite 4210, New York, NY 10281

		Terms
Fund Size:	$4 Billion	1% on Committed Capital plus 0.25% on Actively Invested Capital during the Investment Period, 1.25% on Invested Capital thereafter
Target Return:	12%-14% Net IRR	20% Carried Interest
Target TVPI:	1.5x-2.0x	7% Preferred Return
Fund Type:	Opportunistic	3-Year Investment Period
Geography:	US & Europe	4 Year Fund Term (two 1-year extension)
Fund Structure:	Closed-Ended	Unlevered

Investor Contact
Ben Bernstein
Managing Director
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Figure 1: Strategy Series Summary (as of 9/30/2024)

Fund	Vintage Year	Commits ($M)	Net IRR	Net TVPI	IRR Quartile	TVPI Quartile
Fund I	2017	$516	13.61%	1.57x	1st	1st
Fund II	2020	$2,000	11.51%	1.44x	2nd	1st
Fund III	2021	$3,600	12.53%	1.22x	2nd	2nd

Source: Kennedy Lewis, Preqin, RVK. RVK has calculated performance data using cash flows provided by the manager. Fund performance has been compared against the private debt peer group provided by Preqin as of 09/2024.

Executive Summary

The following is a review of Kennedy Lewis Capital Partners Fund IV ("Fund IV," the "Fund'" or the "strategy"), an opportunistic credit strategy offered by Kennedy Lewis. The Fund is a closed-ended, drawdown vehicle that will be the successor offering in the Kennedy Lewis Capital Partner series. The Firm is raising its fourth opportunistic credit fund, Kennedy Lewis Capital Partners Fund IV, which targets $4 billion of capital commitments.

The Fund pursues a flexible strategy focusing on directly originating private, first-lien, senior secured, performing credit loans within North America and, to a lesser extent, Europe. The Fund will target a non-sponsored lending strategy requiring fundamental bottom-up independent credit research, sector expertise, and creative loan structuring. In addition, the Fund will invest in asset-backed credit opportunities backed by large and diversified pools of assets and hard assets.

Kennedy Lewis has generally not participated in traditional sponsor-backed situations. The Firm believes the direct non-sponsor-focused origination approach can provide a combination of active portfolio constructions through propriety sourcing channels, enhanced returns given the challenges and complexity of direct non-sponsor negotiations, and loans with stricter covenants and terms with greater downside protections. Furthermore, the Firm's transactions often involve a small cohort of lenders, reducing the probability that a single credit exposure spans multiple third-party portfolios, thereby reducing downside protection and diversification.

Kennedy Lewis Investment Management LLC ("Kennedy Lewis" or the "Firm") is an institutional alternative investment firm with $16 billion of assets under management across credit strategies. Kennedy Lewis was founded in 2017 by David Kennedy Chene and Darren Lewis Richman, the Co-Managing Partners and Co-Portfolio Managers. Before starting the Firm, Mr. Chene was a Managing Director at Alliance Bernstein's CarVal Investors, and Mr. Richman was a Senior Managing Director at Blackstone's GSO Group. Mr. Chene and Mr. Richman have over 50 years of combined investment management experience across various economic cycles. Doug Logigian is the President and Co-Managing Partner alongside Mr. Chene and Mr. Richman and oversees the investment process and sourcing.

The $16 billion of AUM is spread across the Firm's credit strategies in Opportunistic Credit, Homebuilder Finance, Core Lending, and CLOs. Kennedy Lewis has over 90 team members, 38 of whom are investment professionals. Senior management has over 20 years of investment management experience working together at predecessor firms. The Firm is headquartered in New York City and has office locations in Miami, Florida, Geneva, Switzerland, and Scottsdale, Arizona.

Kennedy Lewis Capital Partners Fund IV will target an unlevered net IRR of 12%-14% and a 1.5x-2.0x TVPI. Figure 1 above shows the Fund Series has met target returns on a net basis for Fund I and III. Fund II may achieve its target as the investments in its portfolios become realized. Fund I is currently returning capital to investors. The strategy has delivered returns while taking on lower-than-expected levels of risk, achieving a loss ratio of 0.37% despite operating in challenging credit market environments.

Scope of Work

Our review of this offering included:

- Several virtual meetings with senior professionals on the Kennedy Lewis team
- An onsite visit to Kennedy Lewis's Miami office that included a meeting with several senior professionals on the Fund's team
- A qualitative assessment of the general partner, the investment strategy, and the investment process
- An evaluation of the current market environment and expected opportunity set
- An in-depth quantitative review of Fund IV's portfolio and track record focused on position-level performance, attribution, performance sensitivity, and risk of capital loss

- Reference calls with three current limited partners (LPs); a CEO of an existing private portfolio company, the Chairman & CEO of an existing public portfolio company, and a current private equity sponsor
- An evaluation of the Fund's terms from an investment perspective

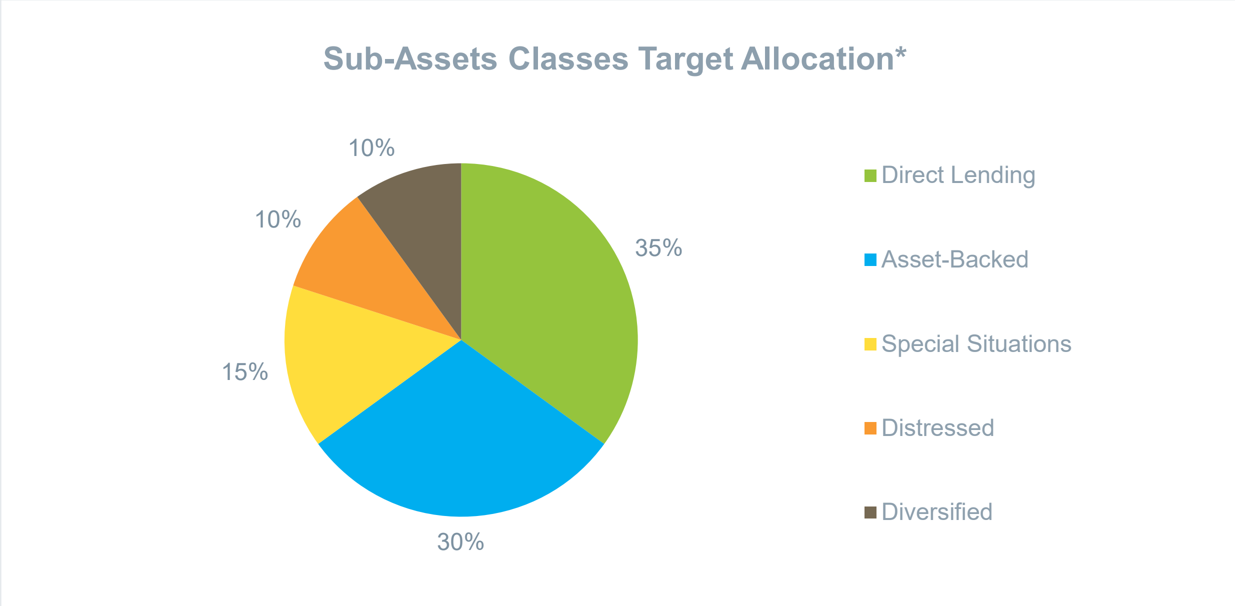
Role in the Portfolio

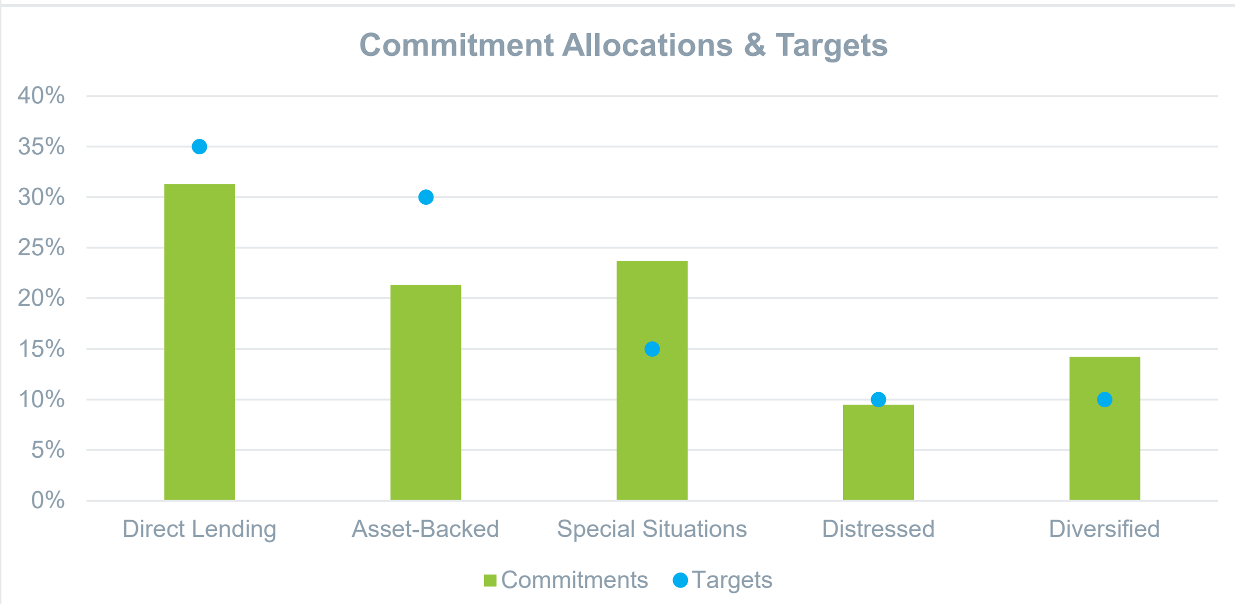
The role of this Fund within the private credit portfolio context aims to deliver substantial income and absolute returns, with a low correlation to shifts in global asset prices and meaningful insulation against default-driven losses. The strategy seeks to accomplish these goals by focusing on senior secured debt and income-generating assets, its high-level investment theme diversity, robust structural protections, and active involvement with many borrowers. As a result, we believe the Fund is generally most appropriate for investors seeking to optimize the long-term risk-adjusted returns of their private credit portfolios, to reduce market sensitivities within their private credit portfolios without materially lowering their expected level of long-term return, and to take advantage of focused pockets of yield distortion during periods of higher credit market volatility.

Compared to mainstream, cash flow-backed private credit strategies such as direct lending, the Fund's profile represents more significant diversification potential, a more fertile expected opportunity set, higher unlevered absolute return potential, and a more favorable risk-return tradeoff for most private credit investors' portfolios. Furthermore, Kennedy Lewis's appetite for non-sponsored transactions in many of its chosen investments makes it a potential diversifier for established private credit portfolios skewed toward focusing on traditional direct lending to sponsored borrowers. As a result, we expect Fund IV's position-level overlap with most other private credit funds to be minimal and for the Fund's overall profile to remain meaningfully distinct from those of other private credit investments throughout the Fund's life. Given the increasingly volatile financial and economic landscape faced by credit investors in 2023 and into 2024, we believe that the Fund's opportunistic focus and considerable breadth represent an especially compelling opportunity for portfolio-level diversification and the capture of yield premiums in credit opportunities experiencing price distortions.

Portfolio Context and Pacing Review

The private credit portfolio of the Wyoming State Treasurers' Office is currently guided by a strategic plan approved in 2022. This strategic plan was developed by Staff and RVK, incorporating feedback from the Investment Funds Committee, and takes into account market conditions, the relative attractiveness of each market segment, and each segment's fit with Wyoming's goals for the private credit portfolio. The figures below outline the 2022 strategic plan and capital deployment to date in the current plan.

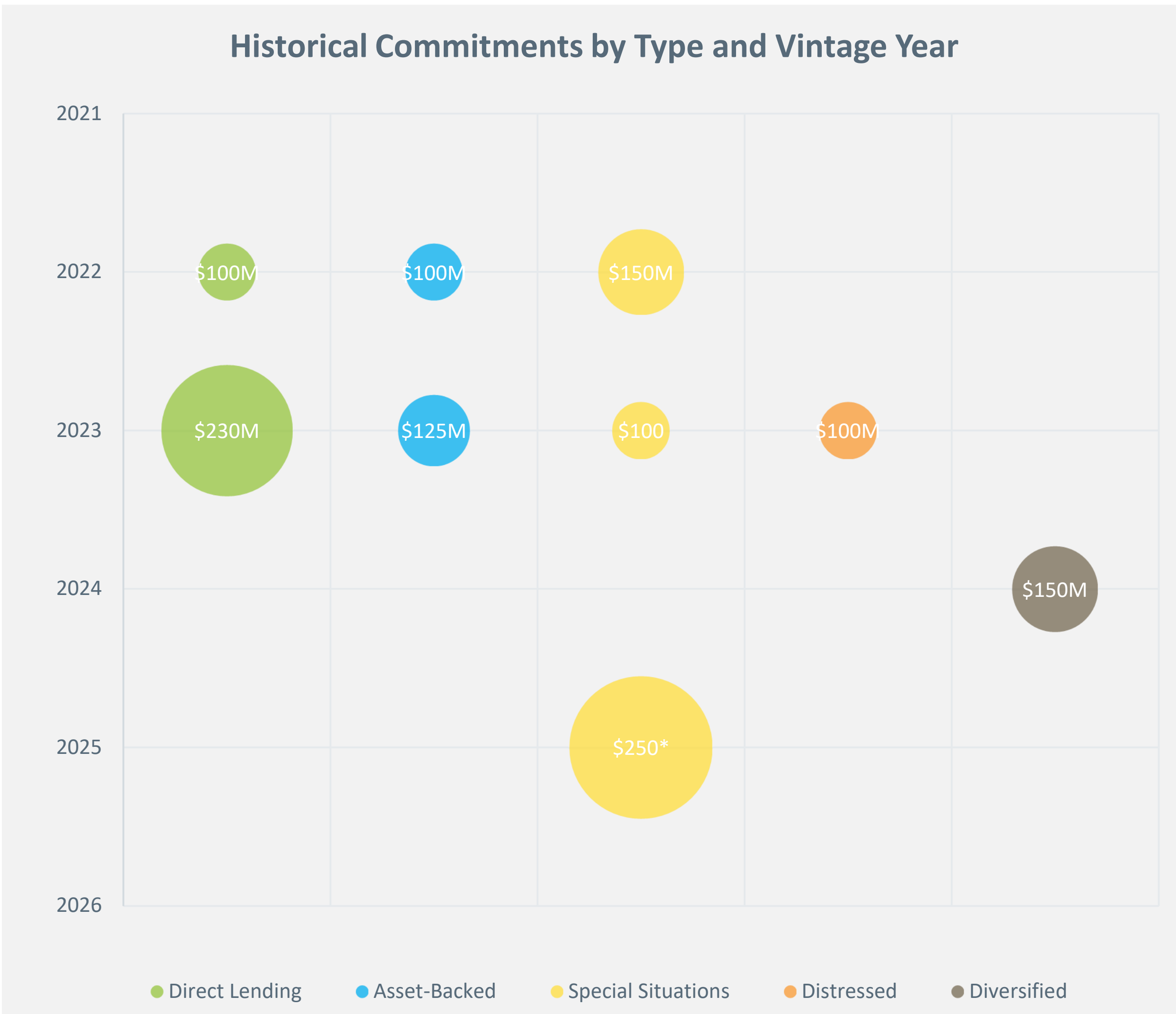




*Allocations can vary due to the market opportunity at any given time. However, the ranges for a diverse private credit portfolio are direct lending 30%-40%, asset-back 25%-35%, special situations 0%-15%, distressed 0%-10%, and diversified 0%-10%.

As a reminder, RVK recommends evaluating and adjusting strategic plans every five years or when a substantial change in plan goals, constraints, or objectives occurs. This strategic plan, combined with the current annual pacing recommendation of $400-$450 million, which RVK expects to revise each year, informs each year's recommendations and the forward calendar. RVK would also note that we believe both strategic plan allocations and annual pacing targets should be viewed as guidelines rather than rules. Individual vintage years are likely to diverge from the strategic plan significantly, as private credit strategies commonly fundraise in two or four-year cycles, and the quality of current opportunities will drive each individual vintage year's allocations, which RVK expects to approximate the strategic plan targets at the end of the five year period.

Based on the expected volume of commitments and RVK's research into private credit portfolio diversification, we would anticipate two to four commitments to closed-ended private credit funds and one to two new or add-on evergreen commitments annually to achieve a well-diversified portfolio that allows for concentration in compelling investment strategies. As of February 2025, Wyoming has committed $330 million to direct lending strategies, $225 million to asset-backed, $250 million to special situations strategies (not including $250 million in anticipated commitments in 2025), $100 million in distressed strategies, and $150 million to diversified strategies since the approval of the current strategic plan in 2022. The following chart summarizes annual commitments by strategic plan segment.



*The $250 million commitment amount consists of a $100 million commitment to Kennedy Lewis Capital Partners Fund IV (re-up) and a $150 million commitment to TPG AG Credit Solutions Fund III, which has not yet been approved.

The current recommendation for a $100 million commitment to Kennedy Lewis Capital Partners Fund IV would continue to support capital deployment in special situations. Special situations strategies tend to launch funds when the market presents an opportunity, so while it may look like the program is overweight in the special situations category in 2025, potential allocations to direct lending and asset-backed strategies in 2025 and 2026 will bring that closer to target allocation.

Merits & Issues to Consider

Merits

Vertical Expertise: Some peers with opportunistic strategies have a generalist approach when forming their investment teams. In this approach, each team member is accountable for sourcing and underwriting deals they bring to the firm, regardless of the company's sector. Kennedy Lewis has developed an investment team of sector specialists that focus on identifying specific verticals or themes experiencing a disruption. Kennedy Lewis specializes in verticals characterized by higher-than-normal barriers to entry due to the complexity of the vertical and the high level of expertise required to understand the sector. This segment of the private credit market can be viewed as being less competitive, mainly because Kennedy Lewis also focuses on non-sponsored deals, which are also considered to be a less competitive part of the private credit market. The firm stated that each vertical is a large addressable market capable of sustaining additional capital, gaining favor from other lenders, or falling out of favor entirely.

Kennedy Lewis stated that they will continue to grow the verticals. Currently, the Firm is exploring the Aerospace and Defense industry. One of the two companies dominating this industry has been under pressure recently. Thousands of suppliers produce the nuts and bolts for this industry. This has created an opportunity for a lender like Kennedy Lewis to provide financing to the suppliers. This is one example of how Kennedy Lewis will look to grow the verticals and the Firm.

Non-Sponsored Borrowers: A significant percentage of lenders in the middle market focus exclusively on financing businesses owned by established private equity firms with a dedicated investment fund (i.e., sponsored transactions). Financing processes for sponsored businesses are typically competitive and do not require the elaborate origination infrastructure often necessary to find and execute non-sponsored financing opportunities.

Moreover, when financing a sponsored transaction, a lender can leverage the private equity firm's due diligence rather than expending its resources. Non-sponsored transactions typically require investment professionals with industry expertise, more intensive underwriting processes, and access to relevant operating resources. As a result, non-sponsored transactions often experience less lender competition and receive a pricing premium with more conservative loan structures.

Flexible Mandate/Vertical Growth: Kennedy Lewis has indicated that the most significant vertical allocations will be in Homebuilder Finance and Power in Fund IV. Additionally, the strategy can invest in areas such as Life Sciences, which could see disruptions. The firm specializes in various Life Sciences sectors, including drugs, devices, diagnostics, and tools. These areas are heavily regulated and involve risks related to reimbursement. Given the current political climate, there is potential for disruption within the Life Sciences sector. Investing in areas where Kennedy Lewis has expertise allows them to exploit dislocations within those markets.

A new area that Kennedy Lewis is applying resources towards is Aerospace and Defense to ensure it is a viable market. Kennedy Lewis indicated that they believe it is a significant enough addressable debt market opportunity and will likely pursue it. The industry is experiencing a disruption, and Kennedy Lewis thinks it can exploit it. As Kennedy Lewis grows, they intend to add personnel and resources to existing and new verticals that the Firm has identified as investable and sustainable.

Sourcing in Less Competitive Markets: Kennedy Lewis deployed resources to identify disruptive markets that are undercapitalized and generally misunderstood by many of the Firm's peers. Moreover, the Firm aims to strengthen its competitive advantage by investing in non-sponsored companies. This results in fewer lenders that can compete, allowing Kennedy Lewis to drive terms and help drive value for the borrower.

RVK spoke to a private equity firm that has done two deals with Kennedy Lewis. The private equity firm said that Kennedy Lewis was not the cheapest. However, they won the deal due to their expertise in the sector, speed, certainty, and confidence, which Kennedy Lewis evokes with the borrower and the private equity firm. This level of diligence is essential when sourcing non-sponsored founder-owned borrowers. Founder-owned businesses often have a more personal attachment to their company, the expertise that Kennedy Lewis possesses across each vertical instills confidence. Kennedy Lewis has won deals on relationships and expertise rather than price. If we see more entrants into the verticals that the Firm focuses on, pricing and terms could be a more prominent factor in the future when they negotiate terms.

Issues to Consider

Sustainability of Verticals: While Kennedy Lewis's organizing the strategy by vertical could be a competitive advantage, it could also be a drawback to the fund. If a vertical or sector that the Firm has a considerable allocation to, like Homebuilder Finance, becomes a popular area within private credit, other firms may start to compete for those deals. Only a handful of large homebuilders purchase land at scale, and if Kennedy Lewis has to compete with other lenders, spreads may compress, and return expectations could drift below the target range for the Fund. We have seen this with other stand-alone Homebuilder Finance funds and opportunistic strategies that invest in Homebuilder Finance. However, Kennedy Lewis has shown that the Firm will move away from popular areas within private credit and allocate to the less traveled industries in previous funds.

Management Fees Elevated: It is uncommon for private credit funds today to charge on committed capital. Kennedy Lewis gives you two management fee options (all fees mentioned are the highest that investors would pay). The first charges 1.00% on committed capital plus 0.25% on actively invested capital during the investment period, thereafter 1.25% on actively invested capital, with a 20% carried interest. The second charges 1.75% on actively invested capital with a 20% carried interest, both of which have a 7% hurdle rate. If Kennedy Lewis puts capital to work quickly, charging on committed capital should not drag down performance. However, if the market shifts and it takes a year or two to deploy capital, charging on committed capital could significantly affect performance. For Fund IV, Kennedy Lewis indicated that they have a pipeline of approximately $1 billion they could invest in after the first close. The Firm also indicated one investor that has chosen to be charged solely on invested capital.

Equity and Landownership: Many opportunistic strategies that RVK has reviewed invest a considerable portion of their assets in equity or equity-linked securities (i.e., warrants, preferred equity, mezz loans) instruments, increasing the risk profile of a private credit fund. RVK prefers private credit managers focus on debt, with equity being a by-product of the deal structure. We have observed a growing trend of equity becoming a more significant allocation within opportunistic private credit funds. This has often led to higher returns; however, it has introduced equity-linked securities risks into portfolios. Kennedy Lewis, for example, holds a substantial amount of equity or equity-linked securities products throughout the Fund Series. While RVK recognizes that equity can play a role in structuring a deal, we would like to see opportunistic managers focus on debt.

Landownership is a significant focus within the Homebuilder Finance vertical at Kennedy Lewis, playing a role in allocations in Funds II and III, and is expected to be a substantial part of Fund IV. These are loans structured as cash-flowing debt instruments, requiring collateral of 20% of the purchase price of the land and the improved land (completed roads and utilities). In the event of a default, Kennedy Lewis would receive the 20% down payment and the enhanced land. However, there is a concern that in a scenario similar to the Global Financial Crisis, where homebuilders were severely impacted, Kennedy Lewis may be left with unsellable land due to the lack of buyers.

Data for Public Positions Under <2% Not Provided: In this document, we refer to "Public Position <2%." Kennedy Lewis has indicated that public trading occurs when the firm observes high yield spreads widening to 700 basis points above treasuries, making public assets more attractive. Kennedy Lewis stated that this is not a threshold but a guide, and the Firm could invest in public assets for other reasons, such as disruptions within a single sector. The Firm also uses the public markets to identify stressed or distressed assets that you would typically find in CLO portfolios. Historically, public trading has been a sizable portion of Kennedy Lewis' portfolio throughout the Fund Series.

While we did receive cash flows on these assets, RVK was not provided with portfolio-level data for quantitative analysis. Considering those positions <2% have historically constituted sufficient allocations within all vintages, it should be noted that it was data that RVK was not supplied from Kennedy Lewis. While public securities have not been a detractor from the portfolio, they should be tracked in more detail by Kennedy Lewis and made available for quantitative analysis.

Investment Recommendation

RVK recommends that the **State of Wyoming Treasurer's Office commit up to $100 million** to **Kennedy Lewis Capital Partners Fund IV** to diversify the client's private credit investments and enhance the portfolio's ability to generate competitive returns across all market cycles. RVK believes that this commitment amount:

1. Is of sufficient size to meaningfully augment the portfolio's absolute long-term returns and provide access to a compelling strategy.

2. Is sufficiently limited in size to control the portfolio's exposure to single strategy risk and maintain an appropriate level of manager diversification across the portfolio's private markets allocation.

3. Is in line with the portfolio's private credit pacing plan.

We believe that Kennedy Lewis Capital Partners Fund IV benefits from several substantial and sustainable competitive advantages that should allow it to enjoy a risk-adjusted return premium compared to most traditional private credit strategies throughout the market cycle. RVK views the strategy offered by Kennedy Lewis as a robust opportunistic platform available to investors.

OVERALL EVALUATION	• Fund terms are mostly industry standard. • The "Tranche A & C" charges on committed capital are not common in peers, and "Tranche B & D" fees on invested capital are high compared to peers.

SUMMARY OF KEY TERMS

<table>
<tr><td>Fund Name</td><td colspan="4">Kennedy Lewis Credit Partners Fund IV</td></tr>
<tr><td>Fund Size</td><td colspan="4">$4 billion</td></tr>
<tr><td>General Partner Commitment</td><td colspan="4">Equal to at least 1% of total LP commitments</td></tr>
<tr><td>Target Return</td><td colspan="4">12-14% Net IRR, 1.5x-2.0x Net TVPI</td></tr>
<tr><td>Investment Period</td><td colspan="4">3 years following final close (subject to 1-year extension)</td></tr>
<tr><td>Harvest Period</td><td colspan="4">4 years following the investment period (subject to two 1-year extensions)</td></tr>
<tr><td>Recycling Option</td><td colspan="4">Full recycling of realized capital during the investment period</td></tr>
<tr><td rowspan="6">Management Fee, Incentive Fee, & Preferred Return</td><td>Tranche A</td><td>Tranche B</td><td>Tranche C</td><td>Tranche D</td></tr>
<tr><td>Availability Until April 30, 2025</td><td>Availability Until April 30, 2025</td><td>Availability May 1, 2025, until the final close</td><td>Availability May 1, 2025, until the final close</td></tr>
<tr><td>1% on Committed Capital during Investment Period, 1% on Actively Invested Capital</td><td>1.65% Actively Invested Capital</td><td>1% on committed capital plus .25% on Actively Invested Capital during the investment period; thereafter, 1.25% on Actively Invested Capital</td><td>1.75% on Actively Invested Capital</td></tr>
<tr><td>15% Carried Interest</td><td>17.5% Carried Interest</td><td>20% Carried Interest</td><td>20% Carried Interest</td></tr>
<tr><td>7% Preferred Return</td><td>7% Preferred Return</td><td>7% Preferred Return</td><td>7% Preferred Return</td></tr>
<tr><td colspan="4">*Management Fee Holiday through June 1, 2025, Available to the first $1B of commitments.</td></tr>
<tr><td>Distribution Policy</td><td colspan="4">Fund-Level (European) Waterfall:
1. 100% to Limited Partners, until Limited Partners receive an amount equal to their total invested capital;
2. 100% to Limited Partners, until Limited Partners receive 7% preferred return;
3. 100% to the General Partner, until the General Partner receives 20% of cumulative distributions;
Thereafter, 80% to Limited Partners and 20% to the General Partner</td></tr>
<tr><td>Fund-Level Leverage</td><td colspan="4">None expected beyond a short-term capital call facility</td></tr>
<tr><td>Key Person Event</td><td colspan="4">Any time prior to the expiration or termination of the Investment Period, either David Chene or Darren Richman no longer devotes substantially all of his business time to conducting the business of the Advisor and its Affiliates.</td></tr>
</table>

Firm Background

OVERALL EVALUATION	• Kennedy Lewis is an institutional alternative investment firm founded in 2017. It has \$16 billion of assets under management across credit strategies. • In addition to the opportunistic strategy, Kennedy Lewis has dedicated core lending, home builder finance, and structured credit business lines, which the Firm believes strengthens its sourcing capabilities. • In April of 2024, Petershill Partners, an affiliate of Goldman Sachs Asset Management, purchased a 40% stake in Kennedy Lewis.

Kennedy Lewis is an institutional alternative investment firm with \$16 billion of assets under management across credit strategies. Kennedy Lewis was founded in 2017 by David Kennedy Chene and Darren Lewis Richman, and in 2019, Doug Logigian joined the Firm as the President. Prior to founding Kennedy Lewis, Mr. Chene was a Managing Director with CarVal Investors, and Mr. Richman was a senior Managing Director with Blackstone. Mr. Chene and Mr. Richman have over 50 years of combined investment management experience across various economic cycles, asset classes, industries, and geographies. Mr. Chene and Mr. Richman's complementary skillsets and prior experience working together at DiMaio Ahmad Capital help to ensure their harmonious Co-Portfolio Manager relationship and provide the foundation for the Firm's culture.

Doug Logigian, Kennedy Lewis' President, is a Co-Managing Partner; before joining Kennedy Lewis, Mr. Logigian was a Senior Managing Director with Blackstone, where he worked directly with Mr. Richman for a decade. The Co-Managing Partners are joined by a seasoned team of professionals with institutional pedigrees, substantial sector and credit investing expertise, as well as experience working together both at Kennedy Lewis and before the Firm's formation.

The firm manages capital for over five hundred limited partners, including public and corporate pension plans, insurance companies, family offices, endowments and foundations, sovereign wealth funds, and financial institutions.

In addition to the opportunistic strategy, Kennedy Lewis has dedicated core lending, homebuilder finance, and structured credit business lines, which the Firm believes strengthens its sourcing capabilities, broadens its industry insight, allows it to provide more comprehensive capital solutions, and makes it more valuable as a strategic partner to companies. Figure 2 highlights Kennedy Lewis' Platform.

Figure 2: Kennedy Lewis' Platform Overview

	Opportunistic Credit	Homebuilder Finance	Core Lending	Structured Credit (CLOs)
Description	Directly originated highly structured senior debt in companies experiencing disruption or transition with non-sponsored companies.	Capital solutions to US homebuilders to acquire land and complete land development.	Directly originated senior secured loans and other private debt investments with non-sponsored companies.	Focused on maintaining actively managed portfolios of bank-led broadly syndicated senior secured floating rate loans.
Investment Vehicle	Closed-Ended Draw Down Fund	Evergreen Fund	BDC	CLO
Investment Type	Absolute Return Focused	Land financing individual loans and asset-based	Senior Secured Loans & Equity Co-Investments	Synthetic risk transfers, structured settlements, traded and structured credit, hard assets

Source: Kennedy Lewis & RVK

Firm Ownership, Compensation, and Investor Base

Firm Ownership

Kennedy Lewis has been majority owned by its employees since its inception. In July 2020, Azimut Alternative Capital Partners, the U.S. subsidiary of Azimut Group, a large European wealth manager, acquired a 20% passive equity interest in Kennedy Lewis.

In April of 2024, Petershill Partners, an affiliate of Goldman Sachs Asset Management, purchased a 40% stake in Kennedy Lewis, divesting Azimut's 20% stake. As a result, Petershill owns a passive 40% minority equity interest in the Firm. Kennedy Lewis has indicated that Petershill has no impact on the day-to-day operations, investment strategy, process, or management. As the private credit market evolves, RVK believes industry consolidation will continue, and independent firms like Kennedy Lewis are acquisition targets for large asset management firms, insurance companies, and other more prominent alternative asset managers. We will continue to monitor Kennedy Lewis as a potential acquisition target and any adverse effects it could have on the Firm's investment process and employee retention.

Compensation

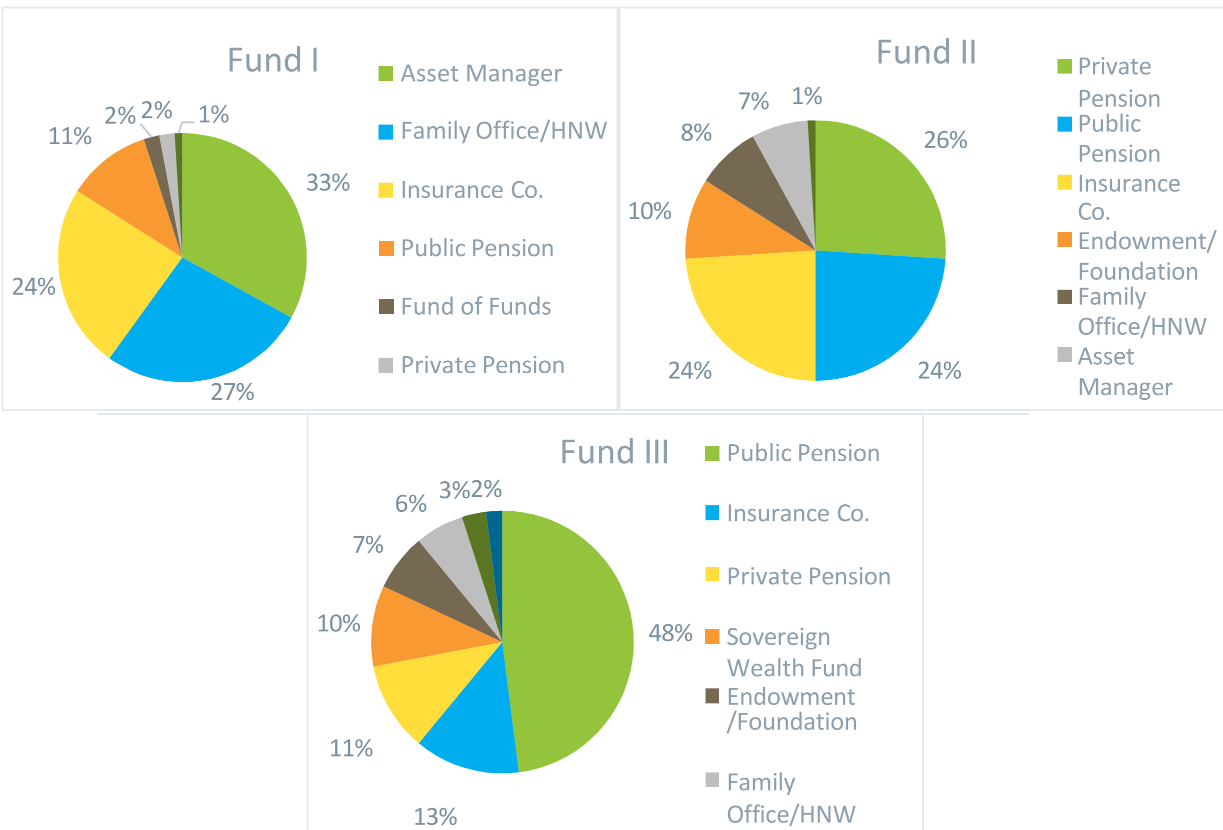
Kennedy Lewis management states that the Firm strives to compensate employees fairly and competitively to attract and retain talent. Each employee is compensated with a base salary and bonus calculated based on the employee's position at the Firm and contribution. Key personnel may receive a profit interest or phantom equity in the general partnership of the funds and an economic stake in the firm and management company, Kennedy Lewis Management LP. The profits interest and phantom equity in the general partners of the funds represent carried interest.

Compensation for Kennedy Lewis professionals is designed to support and drive the Firm's overarching goal of creating value for investors. To achieve this, the Firm has performance rewards that are both short and long-term. The short term are annual incentives, which consist of salary and bonus, and a long-term allocation of carried interest. The team receives carried interest from the funds they are directly involved with, and the allocation depends on each team member's performance and contribution to the fund's performance. Furthermore, carried interest is vested over an extended period to encourage the team over the fund's life.

Investor Base

The majority of Funds I, II, and III assets are of institutional quality (private pensions, public pensions, insurance, asset managers, endowments, foundations, and fund of funds). Figure 3 shows that institutional quality assets comprise 77% of Fund I, 92% of Fund II, and 94% of Fund III. Kennedy Lewis has retained and grown assets, indicating that many investors have re-upped their investment to Fund III, and that trend may continue in Fund IV. Having a solid investor base is critical to the success of the strategy.

Figure 3: Kennedy Lewis Funds I, II, & III Investor Base



Source: Kennedy Lewis & RVK

Investment Team

Kennedy Lewis has over 90 team members, 38 of whom are investment professionals. The firm's senior members, Partners, and Managing Directors have an average of over 20 years of experience and have been working together at predecessor firms, including Blackstone, CarVal, and Goldman Sachs. Kennedy Lewis has experience in managing high-performing teams and has established an inclusive, collaborative culture within the team, which recognizes the contribution of professionals across the platform to its continued success. The Kennedy Lewis investment team has an extensive track record of investing across public and private credit markets and strategies that precede their work at the Kennedy Lewis. David Chene and Darren Richman lead the investment team; each has over 25 years of cycle-tested investment experience. Mr. Chene and Mr. Richman have assembled an investment team with decades of experience investing in public and private credit.

Verticals organize the Kennedy Lewis investment team, and each vertical head is a firm's senior member. Dik Blewitt is a Partner with the Firm, an Investment Committee Member, and the Head of Tactical Opportunities, the vertical that focuses on privately originated and negotiated credit investments backed by large and diversified pools of financial and hard assets. Mark Crawford is a Partner at the Firm, Investment Committee Member, and Head of Power, the vertical that targets investments in flexible, efficient natural gas-fired power plants that are designed to work in conjunction with renewable generation, companies focused on the supply chain for the movement and storage of clean and renewable transport fuels, and technologies needed to help traditional energy companies reduce emissions. Brian Dubin is a Partner and Investment Committee Member focusing on the Technology, Media, Telecom, Industrials, and Fitness sectors. David Valiaveedan is a Partner focused on Homebuilding and Land development. Something of note is that David is not on the Investment Committee, and Homebuilder Finance has grown to be a significant part of the allocation (10%-20% of the portfolio). Kennedy Lewis indicated that Darren Richman does lead the Homebuilder Finance vertical; however, with Mr. Richman's many duties at the Firm (Co-Founder and Co-Portfolio Manager), the firm could benefit from having Mr. Valiaveedan on the Investment Committee, considering that his daily focus is Homebuilder Finance. The strategy's investment committee members are detailed below in Figure 4.

Figure 4: Key Investment Committee Members

Name	Title	Joined Firm	Years in Industry	Primary Role
David Kennedy Chene	Co-Founder & Co-Managing Partner	2017	23	Co-Portfolio Manager, Co-Chair Investment & Executive Committees
Darren Lewis Richman	Co-Founder & Co-Managing Partner	2017	31	Co-Portfolio Manager, Co-Chair Investment & Executive Committees
Doug Logigian	President & Co-Managing Partner	2020	21	Oversees investment process and sourcing

J. Richard Blewitt	Partner	2020	39	Head of Tactical Opportunities
Mark Crawford	Partner	2017	21	Head of Power
Brian Dubin	Partner	2018	22	Technology, Media, Telecom, Industrials, and Fitness sectors
Doug Gerowski	Managing Director	2019	13	Trader

Source: Kennedy Lewis & RVK

Staff Turnover

Kennedy Lewis has experienced a natural attrition of employees, equaling approximately two departures per year out of over 90 employees. We would consider this to be in line with peers, and the turnover of the vice president level and above can be seen below in Figure 5. While senior management seems to be a tight-knit group, it will be imperative to the strategy to attract younger talent as the firm grows. Kennedy Lewis indicated that they do not hire out of college and think that the banks can do a better job at training. The Firm will instead hire people with at least a couple of years of experience, which may improve retention. Kennedy Lewis will also hire individuals to help support the vertical heads or hire individuals with expertise in a new vertical the Firm is pursuing.

Figure 5: Kennedy Lewis Senior Investment Professional Turnover

Name	Hire Date	Departure Date	Title	Reason for Departure
Niles Chura	9/1/2017	3/1/2019	Partner	Mutual Agreement
Griffin Dann	6/1/2018	6/1/2019	Vice President	Mutual Agreement
Rakesh Wilson	7/1/2018	3/5/2021	Partner	Mutual Agreement
Sina Kian	4/1/2020	5/1/2021	Director	Mutual Agreement
Sean Mansoory	4/11/2022	1/13/2023	Vice President	Mutual Agreement
Kevin Westenburg	1/7/2019	4/29/2024	Vice President	Opportunity to start his own business (not investment-related)
Richard Gumer	11/1/2018	6/13/2024	Partner	Retirement
Pierre Ahlsell de Toulza	11/1/2022	6/28/2024	Managing Directory	Termination

Source: Kennedy Lewis & RVK. Represents all Kennedy Lewis's senior investment professionals at the VP level or above to depart Kennedy Lewis in the last five years.

MARKET OVERVIEW

OVERALL EVALUATION	• Banks have pulled back from middle-market lending, creating a significant opportunity for private lenders. • Competition for deals has intensified due to increased capital inflows into private credit and the emergence of new entrants in the market. • Leverage levels increased steadily from 2010 to 2022; however, decreased in 2023 and 2024. • Increased default rates in the leveraged loan market could indicate a debt restructuring cycle that an opportunistic strategy could exploit.

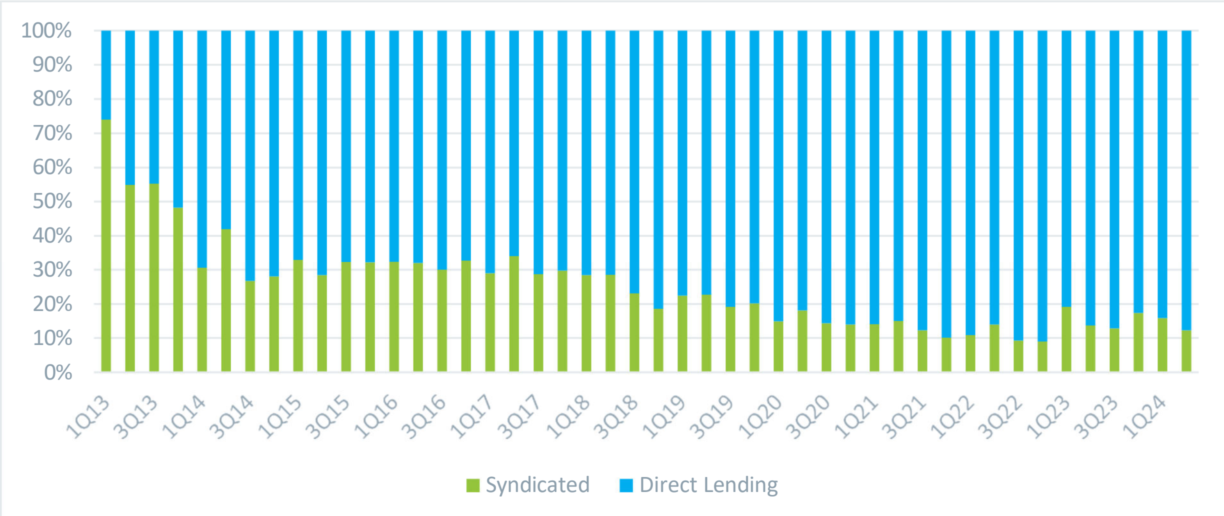
Given the extent of the rise in inflation and interest rates, as well as the levered state of most US corporate borrowers and the increase in covenant-lite issuances, it appears possible that a credit cycle may emerge, potentially even in the near term. Historically, during significant economic or financial stress, credit markets' inefficient and highly cyclical nature has offered institutional investors some of the most attractive risk-adjusted returns. However, this opportunity comes with high credit risks and low liquidity, which are inherent characteristics of credit cycles. We believe that a near-term credit cycle has the potential to significantly augment the returns of a diversified portfolio of credit assets and aid in reaching many investors' long-term return targets.

Market Environment Backdrop

The opportunity for opportunistic credit has evolved over the past few decades as banks have gradually reduced their willingness to originate and hold significant amounts of leveraged loans to middle-market companies. Furthermore, direct lenders have also created credit boxes. If a company does not fit within those loan parameters, then often those companies look to opportunistic strategies that have the flexibility to develop bespoke solutions.

The shift in bank behavior began in the 1990s and was driven by significant consolidation and increased regulation. Following the GFC, banks were further displaced as they faced new, punitive capital charges and regulatory barriers that inhibited middle-market lending. As a result of bank retrenchment, lenders in private markets, typically not subject to the same regulatory oversight as the traditional banking system, have stepped in to fill the financing gap for smaller businesses. The longer-term trend represents a secular shift that is unlikely to change as bank lenders' market share of middle market sponsor-backed deals has decreased dramatically from approximately 72% in the first quarter of 2013 to recent lows of around 11% in the second quarter of 2024, as illustrated in Figure 6. However, recently, we have seen the banks re-enter the broadly syndicated loan (BSL) market.

Figure 6: Lenders' Share of Broadly Syndicated Loans (BSL) and Core Middle Market Deals



Source: LSEG LPC, RVK. Data derived from private data submissions to LPC's private database from 1Q13 to 2Q24 representing sponsor-backed deals.

Competition and Leverage

The private credit landscape has evolved dramatically, and the market is more challenging than ever. Banks' balance sheets have improved as they have de-risked, increasing their available capital. With more substantial balance sheets and the possibility of deregulation under the new administration, banks may be better positioned to compete for loans and gain market share, especially if there is a wave of mergers and acquisitions in 2025.

The share of private credit in the expanding loan market is likely to face competition from the banking sector, which has made a strong comeback due to improved balance sheets, the expectation of modest changes to regulatory capital requirements, and the overall health of the broadly syndicated loan (BSL) market. RVK anticipates that this competition will continue to pressure loan spreads, potentially negatively impacting lenders who are overly aggressive in terms of leverage, credit agreement conditions, and pricing.

As competition increases in the BSL market, lender protections have diminished; as seen in Figure 7, covenant-lite issuances have increased in the last four quarters and will likely continue this trend into 2025. However, in the core and lower-middle markets, we are observing multiple loan protections in the form of covenants and covenant maintenance, better yields, and lower leverage at the company level, as seen in Figure 8.

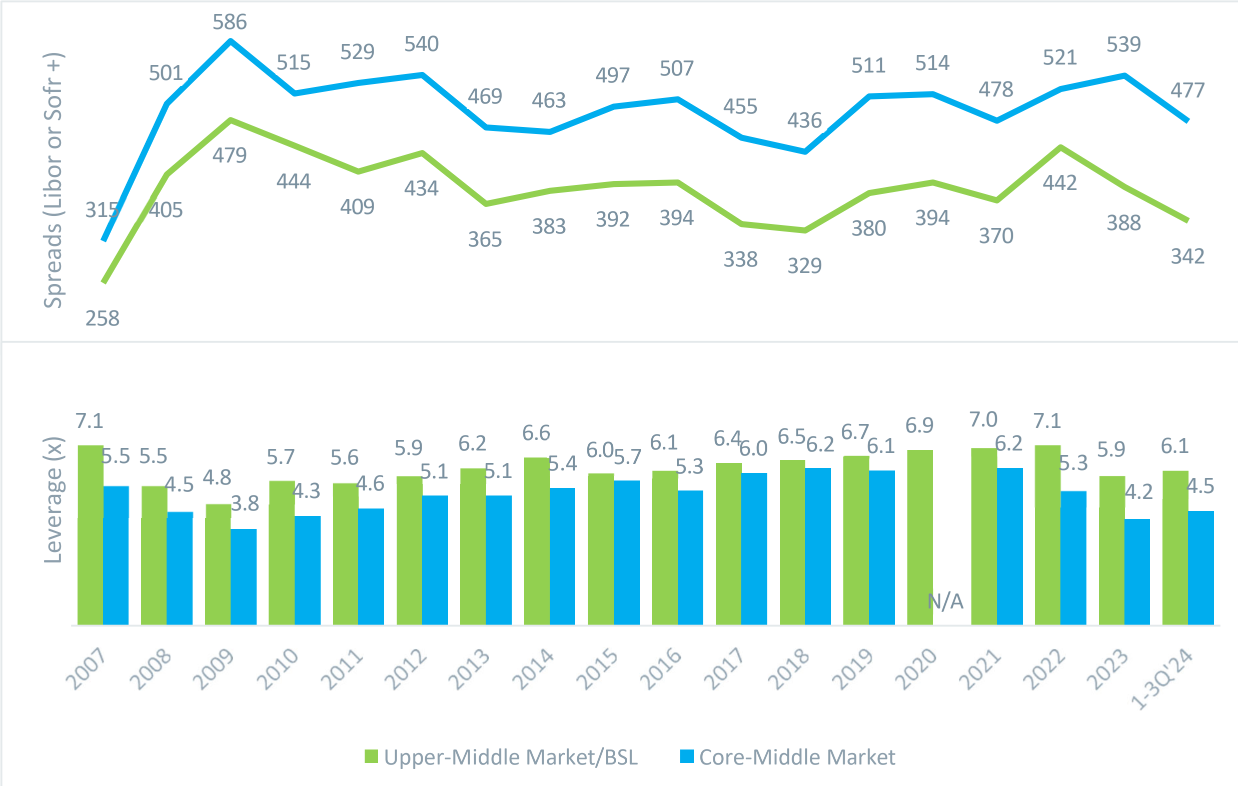
Figure 7: Covenant-lite unitranche volume (USD$bn): Large Corp. vs middle market

Source: LSEG LPC, RVK.

Figure 8 illustrates the BSL market's credit spreads and leverage compared to core middle-market companies. Since 2007, the core middle market has consistently had a 50-150 bps spread over the BSL market. In 2023-24, the spread was at the higher end of the range, averaging 143 bps. RVK anticipates that the spreads between the BSL and core-middle market could continue to widen due to the increased competition in the BSL market.

Leverage levels increased steadily from 2013-2022; although we did see a decrease in leverage in 2023 into 2024, we expect higher leverage levels to be observed over more extended periods. Total leverage levels, from a debt-to-EBITDA multiple including senior and junior debt, peaked at 7.1x in 2022 for the upper-middle market/BSL and 6.2x in 2021 for the core-middle market. The lows have been observed in 2023 at 5.9x for BSL and 4.2x for the core-middle market, as illustrated in Figure 8. We believe that select direct lenders with strong structuring expertise and demonstrated track records of successful transaction structuring and loss mitigation strategies will remain successful at delivering favorable investment outcomes for their clients.

Figure 8: Credit Spreads & Leverage of Upper Middle Market/BSL and Core Middle Market Loans

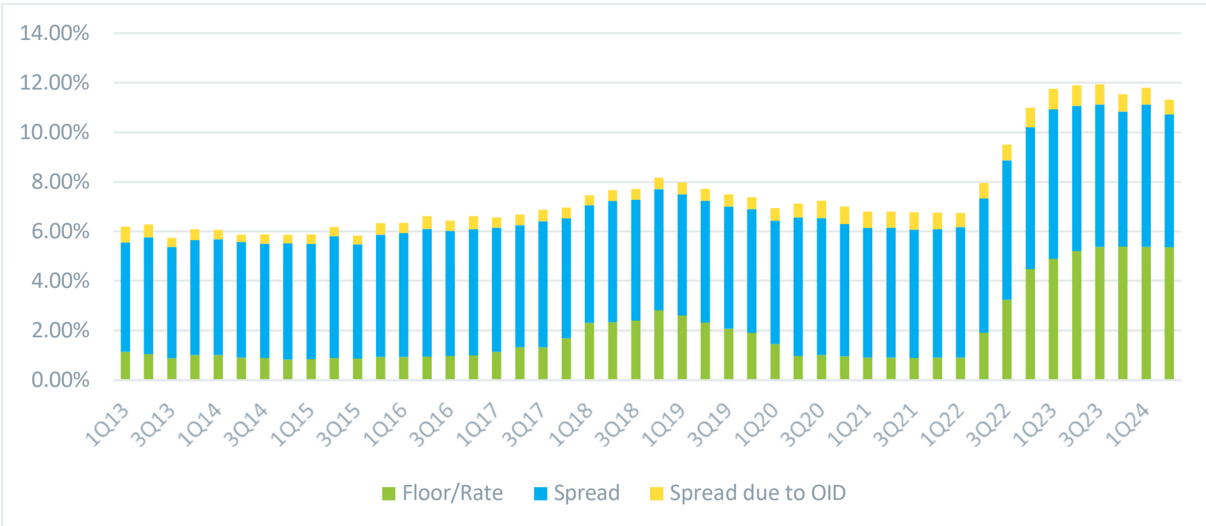


Source: LSEG LPC, RVK.

The increase in Interest Rates has increased all-in-yields in the middle markets

Yields have increased meaningfully in the middle-market, reflecting a measure consistent with an improved risk-adjusted return profile for middle-market direct lending exposure. The most recent lows in yields were observed in the first quarter of 2022, at 6.75% compared to 11.32% as of the second quarter of 2024, shown in Figure 9. Increases in yields have not resulted solely from increases in the reference rate, such as SOFR (Floor/Rate) or base rate. Credit spreads and original issue discount (OID) have increased simultaneously compared to levels observed at recent multi-year lows in the first quarter of 2022. This yield increase has pressured borrowers' balance sheets and may restrict their ability to repay loans.

Figure 9: Average All-in Yields for Middle Market Borrower

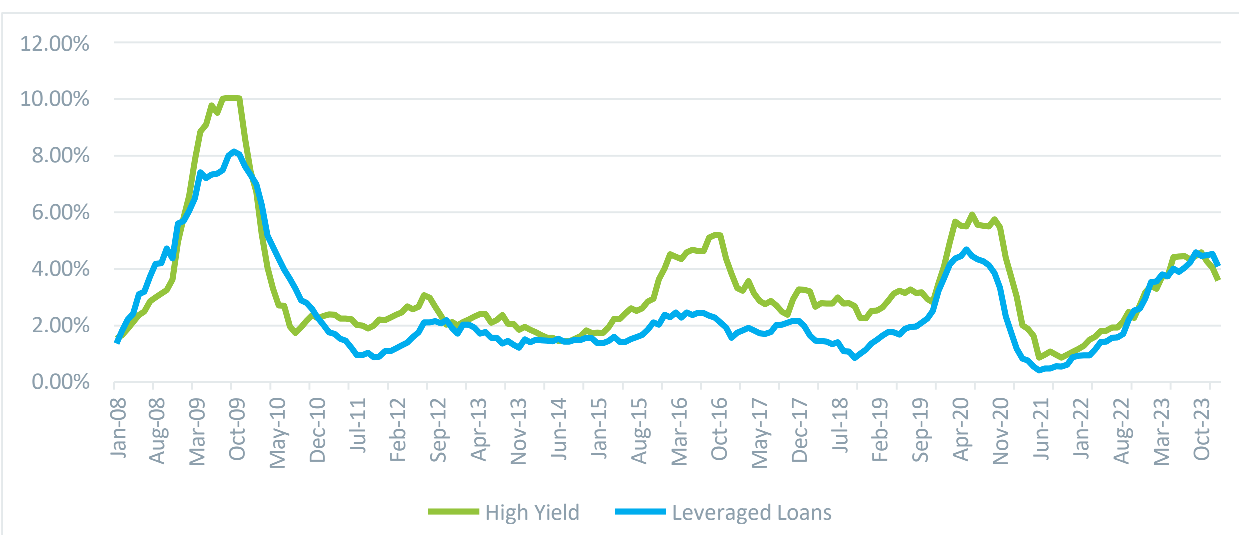


Source: LSEG LPC, RVK.

Leverage Loan Default Rates

As yields have increased, so have default rates in the Leverage Loan market, as seen in Figure 10. The combination of leverage and higher yields has put more pressure on the leverage-loan market. The default rate for leverage loans has crept above 4% in the 1st quarter of 2024 and has remained above 4% for the first time since Covid in 2020. While we do not believe that the default rate will reach 8%, as we saw in the GFC in 2009, it could stay above the 4% level for the foreseeable future. If the default rate remains at this level for an extended period, many borrowers may not need to go into a classic bankruptcy. Instead, they may be able to restructure the debt and avoid traditional bankruptcies.

Figure 10: U.S. Corporate Speculative-Grade Default Rates for High Yield and Leveraged Loans



Source: ICE of BAML. JP Morgan Research. As of June 30, 2024.

Restructuring and Secondary Opportunities

If we see the persistence of defaults within the leverage-loan market, strategies that can restructure debt, such as opportunistic, special situation, and stressed/distressed, could benefit. Many of these opportunities are first identified in the secondary markets where many companies trade. Public and private capabilities are crucial in identifying, monitoring, conducting diligence, and executing default cycle opportunities. These companies will need creative capital solutions for which opportunistic strategies are designed.

We expect opportunistic strategies like Kenedy Lewis Capital Partners Fund IV to exploit the current opportunity. However, not all companies have balance sheets or a clear path to profitability and cannot be restructured. We would expect Kennedy Lewis to avoid borrowers who are considered falling knives. In the first quarter of 2024, we have seen some of the largest defaults and restructurings in history in the private debt markets. With the flood of new entrants over the last several years into private credit and the lack of structural protections on the loans, this credit default cycle could persist for the near future.

INVESTMENT STRATEGY

OVERALL EVALUATION	• Kennedy Lewis engages in non-sponsor-backed lending situations that require the team to conduct a rigorous bottom-up independent credit analysis, sector expertise, and creative structuring. • Kennedy Lewis created the opportunistic strategy to invest across the entire spectrum of verticals within the broader Kennedy Lewis platform. As a result, Fund IV's portfolio can be divided into six distinct collaborative investment verticals. • Kennedy Lewis looks to source deal flow through scalable verticals like Opportunistic Cyclicals, Homebuilder Finance, Tactical Opportunities, TMT (Technology, Media, and Telecom), Power, and Life Sciences.

The Fund will aim to achieve its investment objective by investing primarily in debt or other debt-like securities across the capital structure. The Fund will target investments between $75 million and $300 million, although investments outside this range will be considered. The Fund will seek investments focusing on opportunistic credit, primarily within North America and Western Europe.

The Fund will target a non-sponsored lending strategy to capitalize on the needs of middle-market companies that cannot get traditional bank financing. Kennedy Lewis engages in non-sponsored lending situations that require the team to conduct a rigorous bottom-up independent credit analysis, sector expertise, and creative structuring.

Kennedy Lewis has had limited participation in traditional sponsor-backed transactions. The focus is on direct, non-sponsored originations, which Kennedy Lewis believes provides:

- Proactive portfolio construction through the proprietary sourcing channel
- Enhanced return given the less competitive lending landscape in non-sponsored companies in complex and evolving industries
- Loans with stricter covenants and terms, which tend to provide greater downside protections

In addition, the strategy has been the sole or co-lead lender on most of the deals. When the Firm engages other lenders, it tends to be a small cohort, which Kennedy Lewis believes reduces the probability that a single credit exposure spans multiple private credit managers.

<u>Kennedy Lewis Investment Verticals</u>

Kennedy Lewis created the opportunistic strategy to invest across the entire spectrum of verticals within the broader Kennedy Lewis platform. As a result, Fund IV's portfolio will be divided into six distinct collaborative investment verticals, outlined in further detail in Figure 10.

The strategy focuses on companies and assets facing cyclical, secular, or regulatory-induced disruption, partnering with high-growth companies causing disruption. The Fund favors private market credits whose outcomes are based on distinctive catalyst-oriented factors rather than on market technicals or price movements. Kennedy Lewis seeks to source deal flow through scalable verticals like Opportunistic

Cyclicals, Homebuilder Finance, Tactical Opportunities, TMT (Technology, Media, and Telecom), Power, and Life Sciences, which the Firm believes allows for a repeatable process to invest in themes within sectors that are facing industry disruptions. Kennedy Lewis stated that it would add new verticals as the team identifies new market areas where the Firm can build unique and scalable verticals. The verticals are intended to be uncorrelated to macroeconomic factors. Kennedy Lewis believes that forming verticals allows the Firm to focus resources and create "moats" around their best ideas. Each vertical is led by a Partner or Managing Director responsible for sourcing and underwriting opportunities consistent with the Firm's macro themes.

Figure 11: Kennedy Lewis Verticals

Vertical	Description
Opportunistic Cyclicals	Uncover opportunistic investments when an exogenous shock causes a company to experience its credit event, resulting in the need for a tailor-made capital solution.
Homebuilder Finance	Focused on the land bank and development opportunities on a recurring basis with the leading public homebuilders.
Tactical Opportunities	Privately originated and negotiated credit investments backed by large and diversified pools of financial and hard assets.
Technology, Media, & Telecom (TMT)	Provide responsive credit solutions to TMT companies with reasonable gross margins that need a bridge of growth capital.
Power	Targets investments in flexible, efficient natural gas-fired power plants designed to work in conjunction with renewable generation. Companies focused on the supply chain to move and store clean and renewable transport fuels. Technologies needed to help traditional energy companies reduce emissions.
Life Sciences	Provide non-dilutive, highly structured growth capital to commercial-stage life science companies sourced on a proprietary basis.

Source: Kennedy Lewis & RVK.

Vertical Overviews

Opportunistic Cyclicals

The team's experience investing across various cycles, sectors, and geographies enables the Firm to uncover opportunistic investments where an exogenous shock causes a company to experience a credit event, resulting in the need for a tailor-made capital solution. In these situations, Kennedy Lewis can supply capital to serve as a valuable bridge to an underbanked market segment that is under pressure but overlooked or misunderstood by others, a good company but a bad balance sheet.

These opportunities require a contrarian mindset and a creative approach to analysis. They are complex and misunderstood special situations that allow Kennedy Lewis to use its ingenuity and critical thinking skills to infuse highly structured rescue capital into discrete situations to create a catalyst for growth or stabilize affected capital structures.

During extreme market dislocations, the Firm will also pivot to opportunistically invest in select investment grade credits, high-quality, high-yield bonds, and leveraged loans. During these periods, when there is a flight to safety, selling behavior can create attractive buying opportunities. Kennedy Lewis will apply its credit underwriting discipline to evaluate assets that the Firm views as high quality but are trading at a discount to par to capture total return. The Firm defines these periods of extreme dislocation as those when high yield spreads are more than 700 basis points over Treasuries.

Homebuilder Finance

Housing has been a high-conviction investment area for Kennedy Lewis, given the demographic tailwinds for demand represented by the outsized Millennial Generation reaching household formation age and a shortage of supply driven by the severe pullback in home construction in the wake of the 2008 housing crisis. The niche of the market that Kennedy Lewis identified needing creative capital was with the large national homebuilders who operate a capitally inefficient business model by maintaining outsized balance sheets laden with land. Homebuilders are currently land developers, meaning they identify, permit, acquire, and develop land, and the homebuilders construct individual houses. Owning land years ahead of home production is capital-intensive, resulting in lower asset turns. As a result, homebuilders require a sophisticated financing partner to alleviate balance sheet demands and unlock enterprise value through more efficient capital investment. Homebuilders look to move land off their balance sheets with a structured agreement to acquire the finished lots at a predetermined takedown schedule.

Splitting land ownership and development from homebuilding can reduce a homebuilder’s capital outlay and improve its bottom line. Homebuilders have increasingly moved towards an asset-lite model, and Kennedy Lewis can partner with them and help facilitate their transition.

Kennedy Lewis’s Homebuilder Finance investments provide highly structured capital solutions to publicly traded and privately held U.S. homebuilders for financing the acquisition of entitled land and the completion of land development, such as installing utilities and roadways. The strategy enables homebuilders to improve their capital efficiency by acquiring finished lots on a “just-in-time” basis at the start of home construction, thereby reducing the homebuilder’s capital outlay and improving its project-level returns. The homebuilder provides subordinate capital and commits to completing the land development, which assures Kennedy Lewis that the land will be improved with all the necessary infrastructure before home construction. The homebuilder makes monthly interest payments based on deployed capital and can acquire finished lots at a predetermined price and takedown schedule per an option agreement between the homebuilder and the Fund.

Kennedy Lewis’s Homebuilder Finance strategy chiefly focuses on land banking investments and provides land development financing to a lesser extent. Idea generation in the strategy focuses on originating land banking and first mortgage transactions with homebuilders and land developers. One of Kennedy Lewis’ competitive advantages includes its team's long-term industry participation and longstanding relationship with the leading homebuilders and land developer management teams. Additionally, the team's relationship in the broader industry ecosystem of lenders, investment bankers, consultants, attorneys, and brokers also serves as a sourcing channel. KL Servicers LLC, the affiliated land bank servicer for the Firm, further supports the Homebuilder Finance strategy by providing asset and loan monitoring, servicing, and due diligence and transaction support services to the investment team.

Tactical Opportunities

The Tactical Opportunities vertical provides broad exposure to corporate, securitized products and asset-level investment opportunities in North America and Europe. Tactical Opportunities focuses on Asset Based Financing ("ABF") investment opportunities supported by contractual cash flows associated with diverse pools of assets, including mortgages, consumer assets and automobiles, receivables, aircraft financing, and small business lending. Kennedy Lewis uses ABF as an extension to corporate private credit with its diversified underlying asset pools, substantial documentation and lender rights, cash flow waterfall control, and bankruptcy remote collateral. ABF deals have shorter weighted average lives than traditional corporate loans, given the amortization profiles inherent to the underlying assets, and therefore, often do not require an event or maturity to monetize.

Origination within Tactical Opportunities typically takes two forms within the Firm. First, Kennedy Lewis will create a forward flow arrangement with a durable origination platform, and second, the Firm will capitalize on market dislocations where they purchase or finance discrete portfolios. The team has broad and diverse sourcing ability and will pursue a mandate with the flexibility to move dynamically between sectors, markets, and security types, allowing the Firm to identify compelling investment opportunities.

Technology, Media, & Telecom (TMT)

Kennedy Lewis has observed four themes with current and prospective investment opportunities for the Firm's flexible capital solutions in TMT.

1. Exponential data growth and its subsequent demand for infrastructure.
2. The durability of subscription software business models.
3. The meandering of management priorities in content planning, production, distribution, and consumption
4. Leveraging the Firm's market position in land banking to facilitate the upstream origination of homes at a high volume for established Proptech businesses.

Within TMT, the Firm's sourcing and investment strategy focuses on businesses that enhance secular themes through hardware, software, and services or have mature and proven unit economics. Kennedy Lewis will seek opportunities for structured capital solutions across these themes, specifically among aggressively financed businesses facing challenging utilization periods with unsustainable capital structures or companies that require growth capital to expand their business. The Firm has consistently targeted and underwritten businesses that they believe meet key characteristics:

- Product or service that drives high customer utility
- Sustainable business model with defensive unit economics grounded in dependency
- Product or services criticality paired with low input cost and output price ratio to determine reoccurring nature and pricing insulation
- Attractive market structure with either high incumbency or insurgency
- In the case of incumbency, the Firm will seek a substantial market share of large players in smaller markets

The team leverages its extensive network of relationships with management teams and board members to drive proprietary deal flow. Kennedy Lewis has built a reputation as a supportive partner who can offer creative capital solutions, which has further strengthened its standing in the industry.

Power

The opportunity within power generation in the U.S. stems from the short-term oversupply that has created financial pressure in specific markets, however, in the medium term, an increased demand for electrification policies, data center build-out, and the retirement of older coal and oil-fired units will bring these markets back into equilibrium and drive improvements in cash flow generation of the units that Kennedy Lewis is targeting. Natural gas-fired power generation, a versatile and flexible electricity source, is becoming an increasingly higher proportion of the global energy mix. The world may be entering a period in which natural gas is positioned to rival coal and oil among the thermal sources. Gas can better complement wind, solar, and other intermittent renewable energy sources.

The Power vertical is focused on low-emitting, natural gas-fired generation that ensures grid reliability, energy infrastructure, and transition-focused businesses that help in the transition to lowering their emissions. Kennedy Lewis' Power vertical currently is targeting loans to natural gas-fired power plants in the northeast and mid-Atlantic U.S., which they believe is a fundamental global shift from baseload generation sources of coal and oil towards increasingly cost-competitive lower carbon footprint natural gas-fired capacity and renewable resources.

Another strategy focus is infrastructure and transition. For these opportunities, the Firm targets companies focusing on the supply chain for the movement and storage of clean renewable transportation fuels and technologies needed to help traditional energy companies reduce their emissions.

Life Sciences

The Life Sciences industry's growth has been driven by strong demographic tailwinds, including an aging population with longer life expectancy and efforts by innovators to counter the degradation of the quality of life caused by chronic diseases. This has increased healthcare expenditures and structural long-term demand for innovative drugs, medical devices, and diagnostic and therapeutic technology-enabled healthcare services.

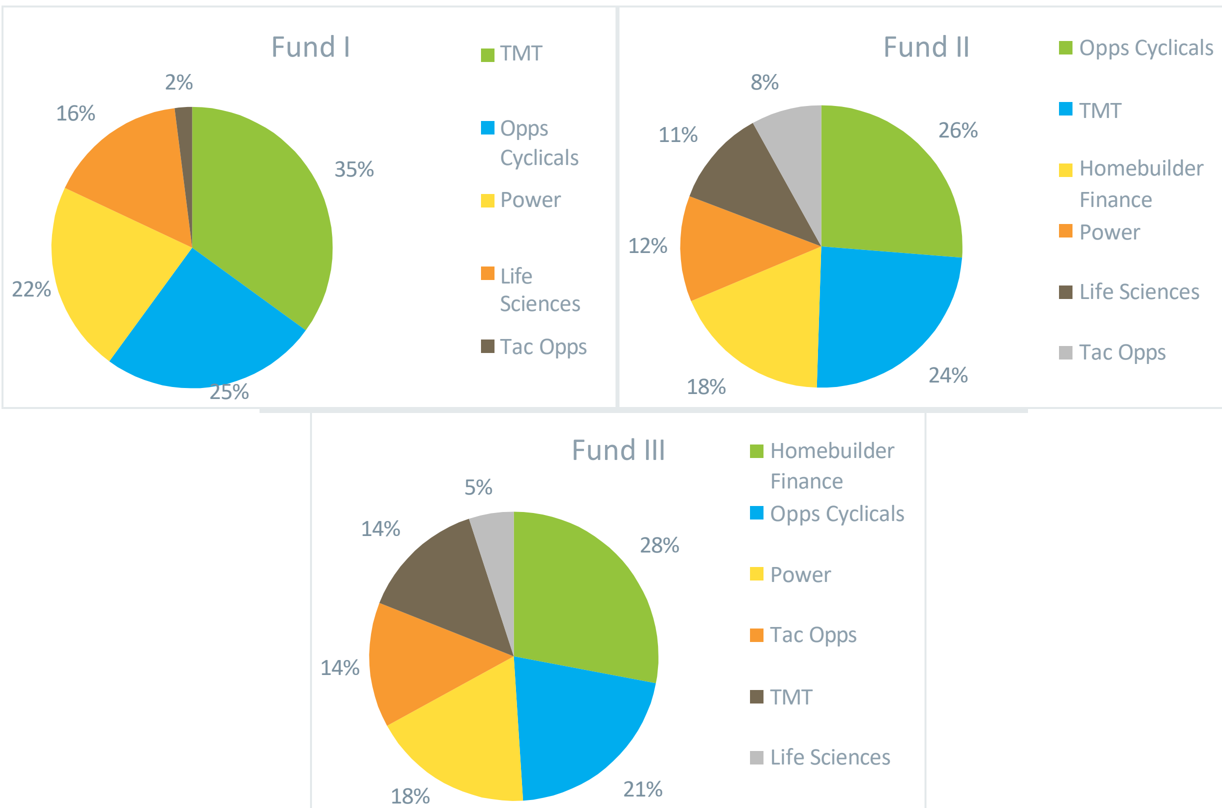
In response to the demand, there has been a steady stream of capital into high-growth Life Science companies from investors with an appetite for uncorrelated asset class returns with attractive exit potential. However, there are significant barriers to entry due to sourcing challenges and the transactions' difficulty for the average investor to understand.

Commercial-stage Life Science companies, which have increasing capital requirements due to the cost of the commercial build-out, marketing, and scale, have been accessing the debt markets to augment equity capital due to their dilutive nature. Kennedy Lewis believes investments in Life Science companies can be uncorrelated to overall equity and debt markets, as technologies that improve care are purchased in all economic environments.

Kennedy Lewis invests in companies in their commercial execution and growth stages. These companies have obtained governmental approvals, generally have established payor reimbursement, are part of a large addressable market with high barriers to entry, improve patient care or reduce costs, and provide a clear path to exit for the debt investors. These securities include delayed draw features, senior secured debt, double-digit coupons, tranched structures with covenants, high gross margin products with high expected revenue growth, warrants, equity, and low loan-to-value metrics.

Figure 12 shows the historical allocations to each of the verticals mentioned. As you can see, Opportunistic Cyclicals and TMT had the largest allocations in Funds I & II. However, in Fund III, Homebuilder Finance and Opportunistic Cyclicals are the largest allocations. It is expected that Fund IV should look like Fund III with Homebuilder Finance, Opportunistic, and Power with the largest allocations. All these verticals should provide diversification from other private credit managers, with little overlap due to the specific niches in which Kennedy Lewis has expertise.

Figure 12: Kennedy Lewis Funds I, II, & III Invested Capital by Vertical



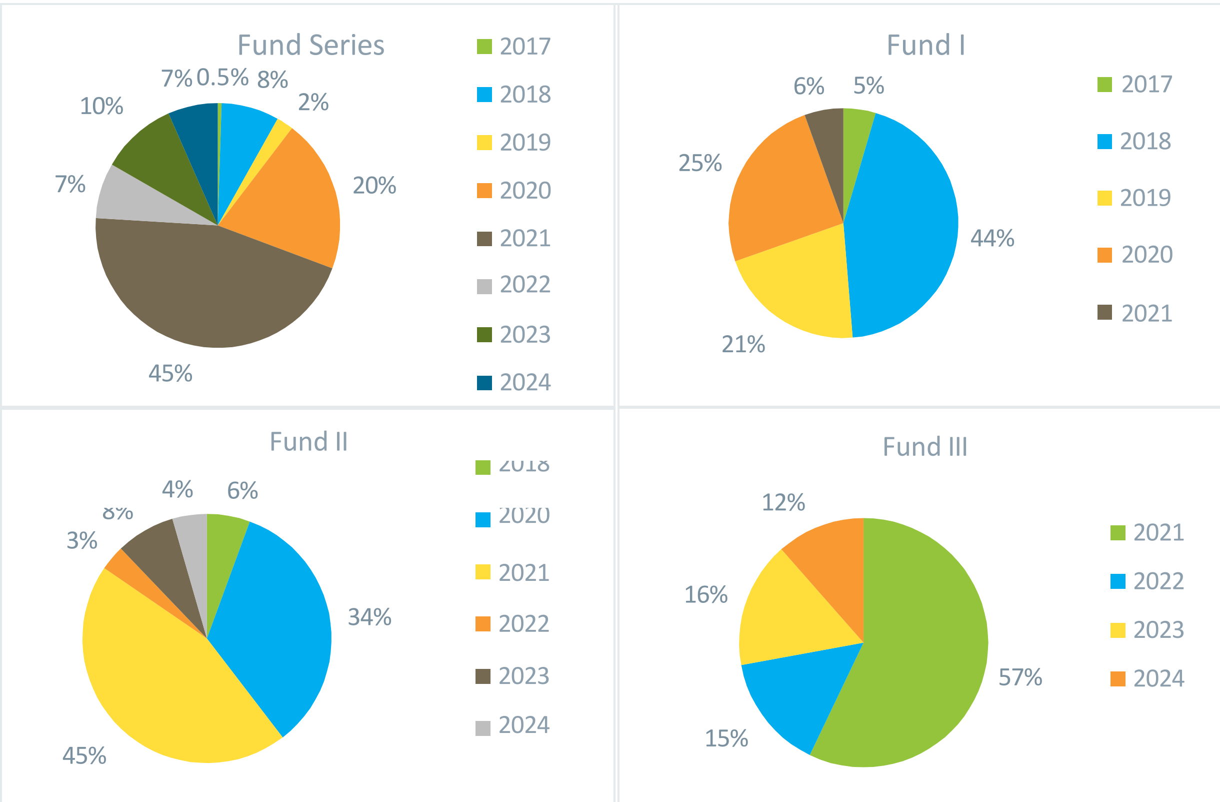
Source: Kennedy Lewis & RVK

PORTFOLIO EXPOSURE

The following section analyzes Funds I, II, III, and the Fund Series (data from all Funds combined) track-record portfolio as of 3/31/2024, which includes 90 investments since inception (data on public positions <2% not provided, shown as one asset by the Firm), to ensure that the portfolio's exposure is in line with our expectations.

Figure 13 looks at the invested capital by years as a fund series and in each vintage. Outside of Fund I (2017 vintage), most of the capital was invested in 2020 and 2021 during Covid, one of the best investment opportunities in recent history for an opportunistic strategy like Kennedy Lewis'. This is how we expect the strategy to invest when there are dislocations in the credit markets. Higher rates and higher inflation have created an opportunity for those who offer flexible credit options, as Kennedy Lewis does. On the other hand, during benign credit volatility, low rates, and low inflation, opportunistic credit strategies tend to have lower return expectations, and one would expect returns closer to direct lenders, possibly slightly higher.

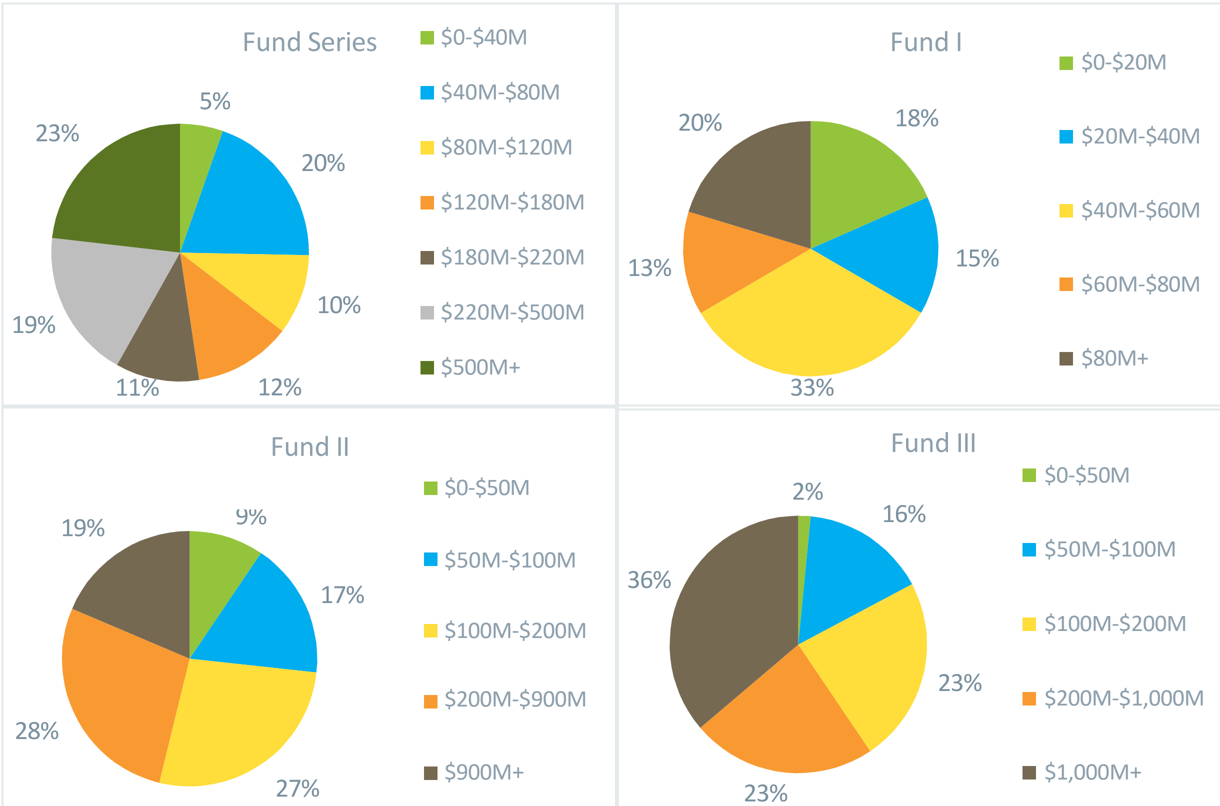
Figure 13: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Years



Source: Kennedy Lewis & RVK

Kennedy Lewis has grown its assets rapidly, considering the firm was founded in 2017. Fund I (2017) had commitments of $516 million, Fund II (2020) $2.5 billion, and Fund III (2021) $3,600 billion, and now looking to raise $4 billion for Fund IV. Committed capital growth from Fund I to III has been eight-fold, rapidly in 4 years. In Figure 14, you can see that as the firm has grown its assets, the investment sizes have also increased. Fund I investment sizes ranged from $2 million to $50 million. Fund III, launched four years later, has an average of over $100 million or more. As a lender who can invest more significant amounts of capital, you tend to become the lead lender who will drive terms and control the loan. On the other hand, this level of asset growth can contribute to firms stretching into areas of the market they do not have expertise in to deploy capital or if a vertical(s) falls out of favor and you have raised too much capital. RVK has not experienced this with Kennedy Lewis, but it should be monitored, especially as the Firm grows its assets.

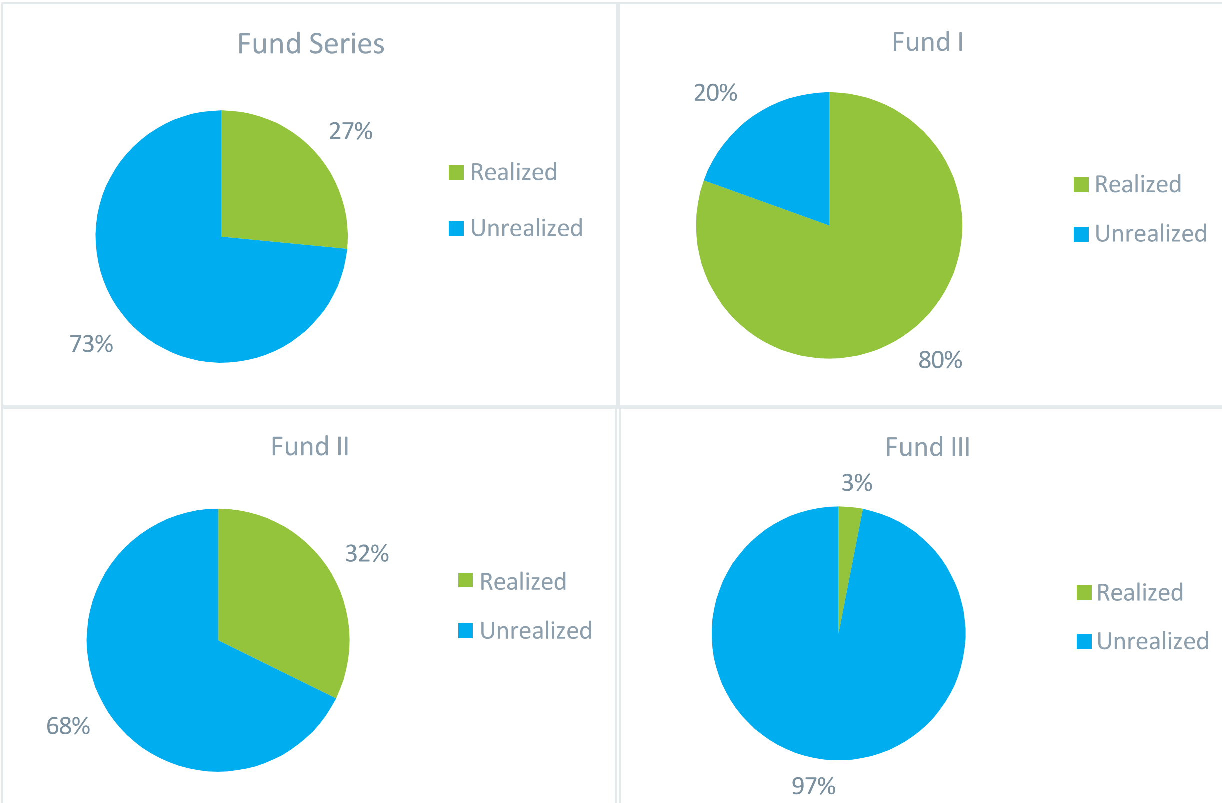
Figure 14: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Sizes



Source: Kennedy Lewis & RVK

As seen in Figure 15, as you can imagine, most of the realized capital has been from Fund I. Of the 90 positions RVK observed from Fund I through III, 38 positions have been realized and have performed well with an over 32% gross IRR overall funds. As Funds II & III begin to distribute capital back to investors, it will give us a better idea of how unrealized investments have performed, considering that over 70% of the invested capital is unrealized.

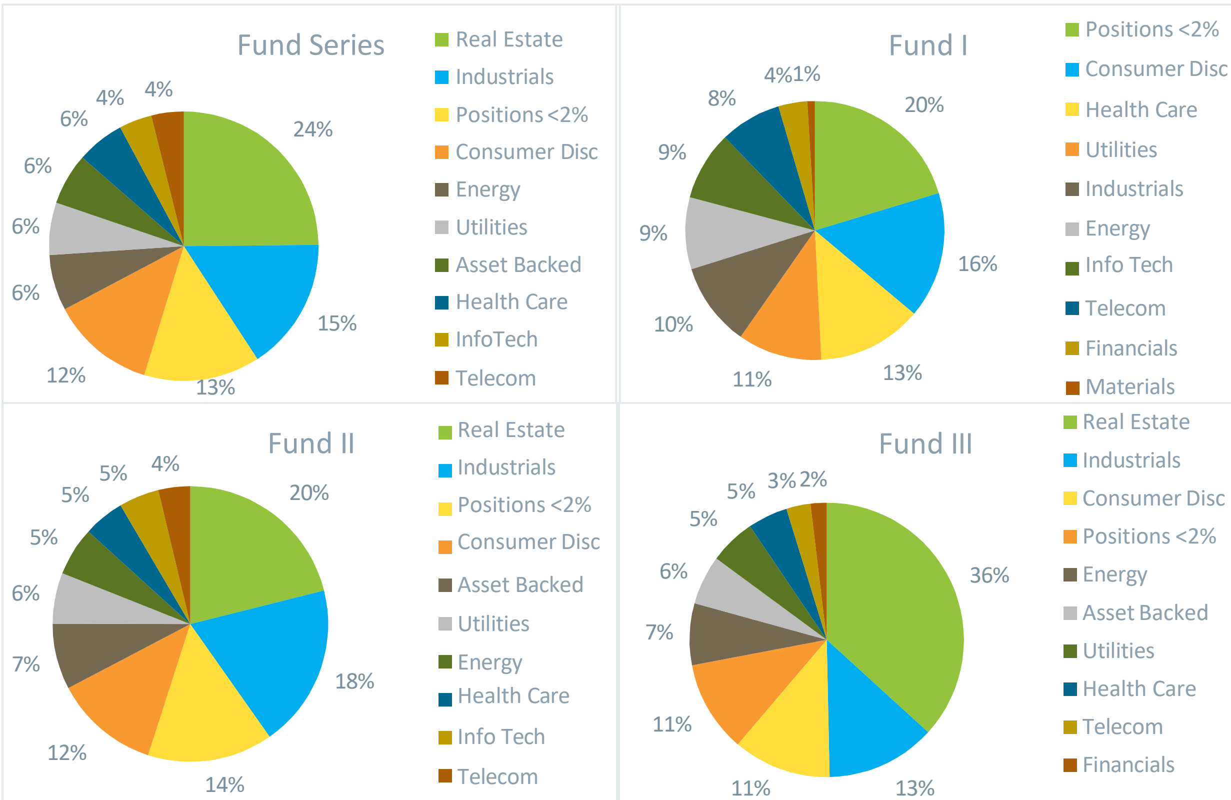
Figure 15: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Realized or Unrealized



Source: Kennedy Lewis & RVK

Considering that Kennedy Lewis states that they are sector/industry/vertical specialists, Figure 16 should be invested in those sectors in which Kennedy Lewis has expertise. In Fund I, the top vertical allocations are TMT, Opportunistic Cyclicals, Power, and Life Sciences, and top sector exposure is Consumer Discretionary, which fits into Opportunistic Cyclicals; Healthcare, which fits into Life Sciences; and Utilities, which fits into Power. In Funds II & III, the top sector holding real estate is the Homebuilder Finance vertical, in which Kennedy Lewis has been active. It does not seem like Kennedy Lewis ventures outside its verticals in which they have expertise.

Figure 16: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Top Ten Sectors

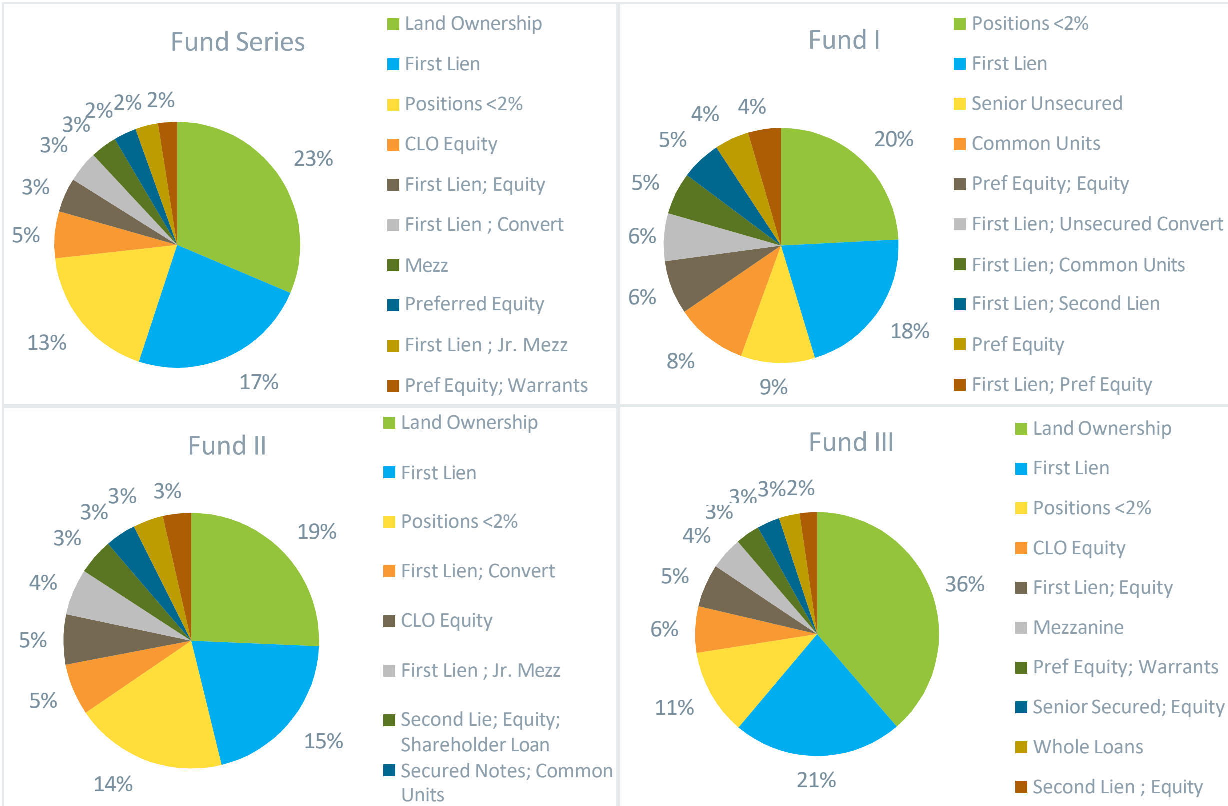


Source: Kennedy Lewis & RVK

RVK would consider Kennedy Lewis' portfolio construction to have a slightly elevated risk profile for an opportunistic strategy due to its allocation to equity or equity-linked securities products. As shown in Figure 17, land ownership and first-lien debt have historically made up approximately 40% of the Fund's Series portfolio. The rest of the portfolio covers the diverse private and public credit universe.

However, as mentioned in the "Issues to Consider" section, the Fund Series has approximately 20% of the portfolio allocated to equity or equity-linked securities products, increasing the portfolio's risk profile. This can be typical of an opportunistic strategy, where Kennedy Lewis must be creative when structuring a deal to make sense for both the lender and borrower. In opportunistic strategies like this, the lenders have the flexibility to get more creative with deals, which can expose limited partners to elevated levels of equity within a credit portfolio. RVK will be monitoring this trend within opportunistic strategies.

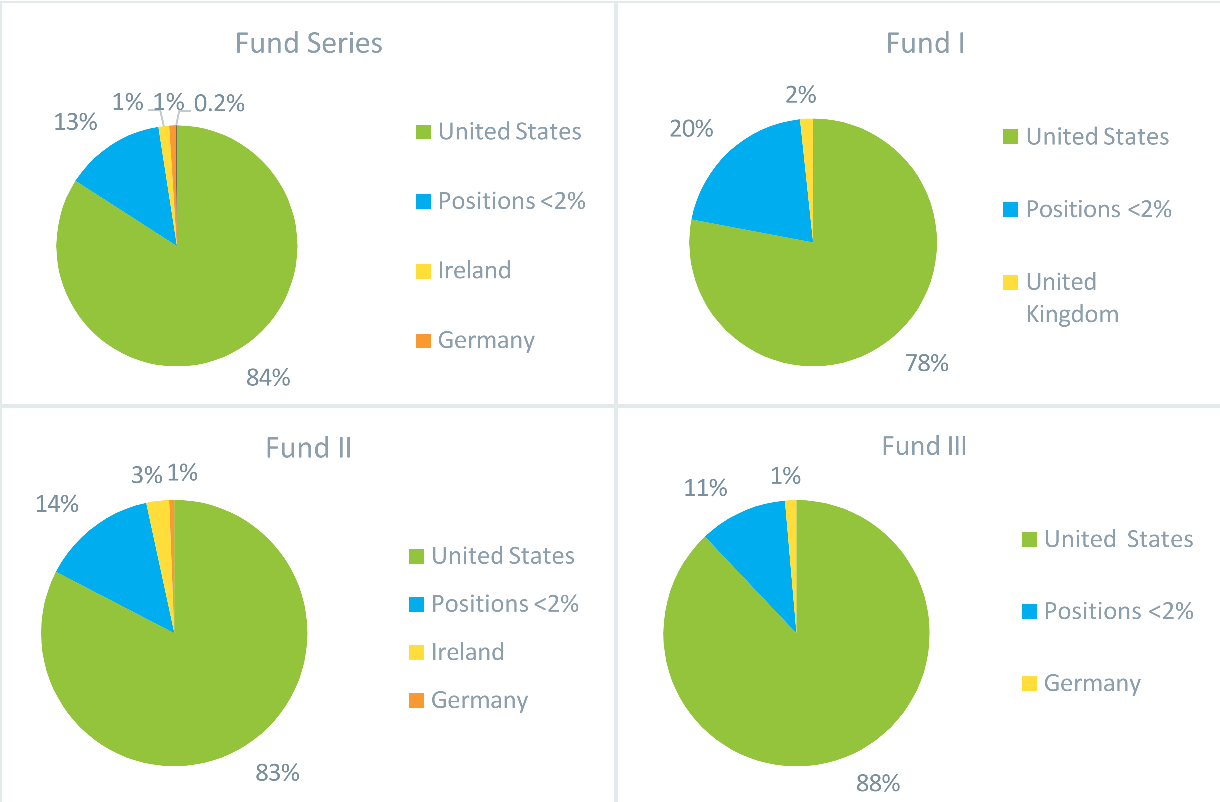
Figure 17: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Top Ten Asset Type



Source: Kennedy Lewis & RVK

Kennedy Lewis has indicated that most of the invested capital will be in North America and, to a lesser extent, Western Europe. Historically, Figure 18 illustrates the Firm has invested along those guidelines. One area that Kennedy Lewis could grow into is expanding the verticals into Europe or launching new verticals focusing on Europe. Kennedy Lewis indicated that they would opportunistically invest in Europe. Still, due to the loans trading at or below a premium to North American loans, Kennedy Lewis believes that investors are not being compensated for the risks they are taking in Europe and the rest of the world. RVK would agree with these views.

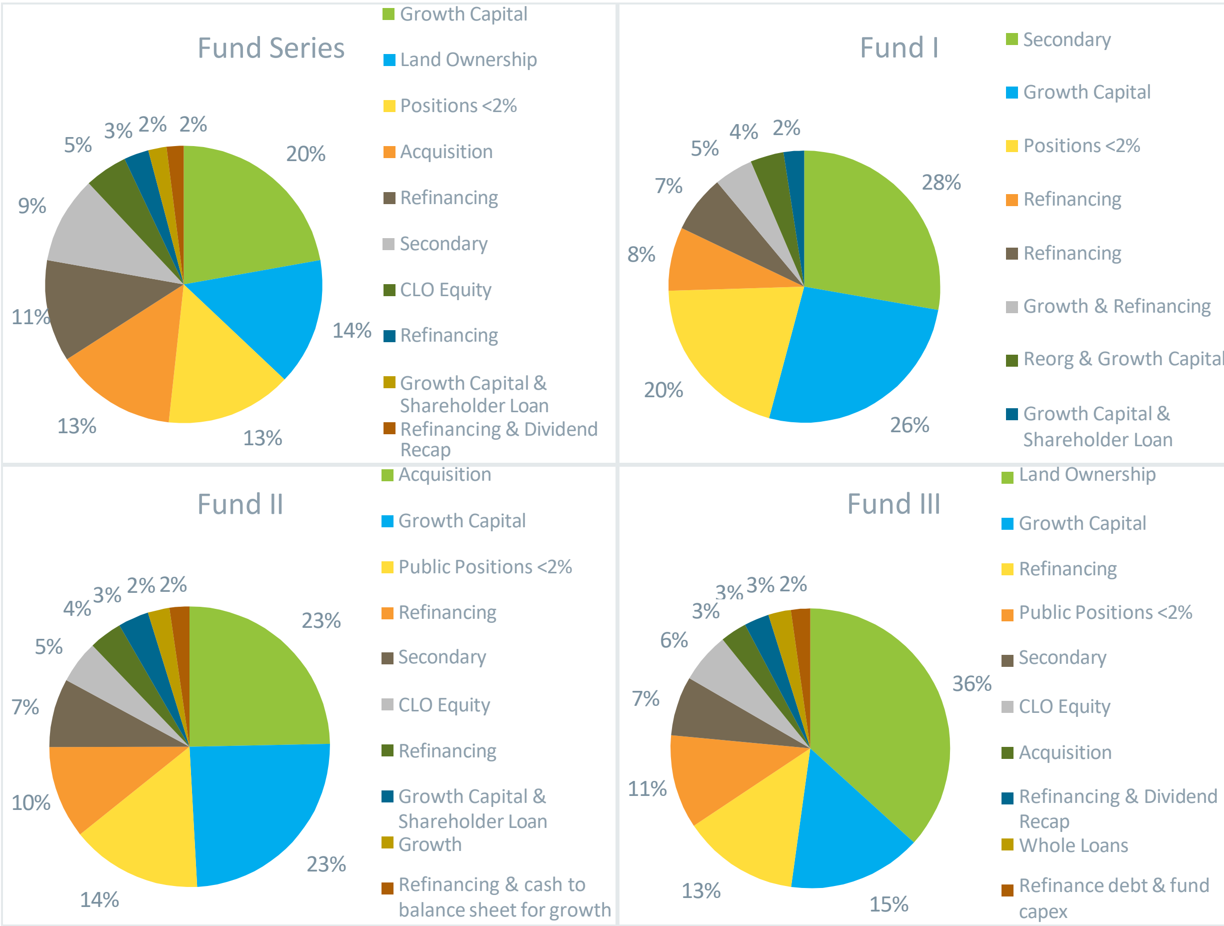
Figure 18: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Country



Source: Kennedy Lewis & RVK

Figure 19 shows the top ten uses of proceeds of Kennedy Lewis borrowers. As with many opportunistic strategies like this, the top uses of proceeds are growth capital, acquisition financing, and refinancing. One area unique to Kennedy Lewis is the homebuilders using proceeds to purchase land, although we have seen this in a couple of peers' strategies. According to Preqin, private equity firms currently have substantial reserves of cash. The private markets have been anticipating an increase in transactions since 2023, which has occurred to an extent in 2024, but not at levels to kept pace with the amount of dry powder within the private markets. If this dry powder is put to work in 2025, some areas that could benefit from this are mergers and acquisitions, buyouts, and growth. Additionally, we could see increased refinancing with companies under pressure from increased leverage. Kennedy Lewis is well-positioned to take advantage of these areas.

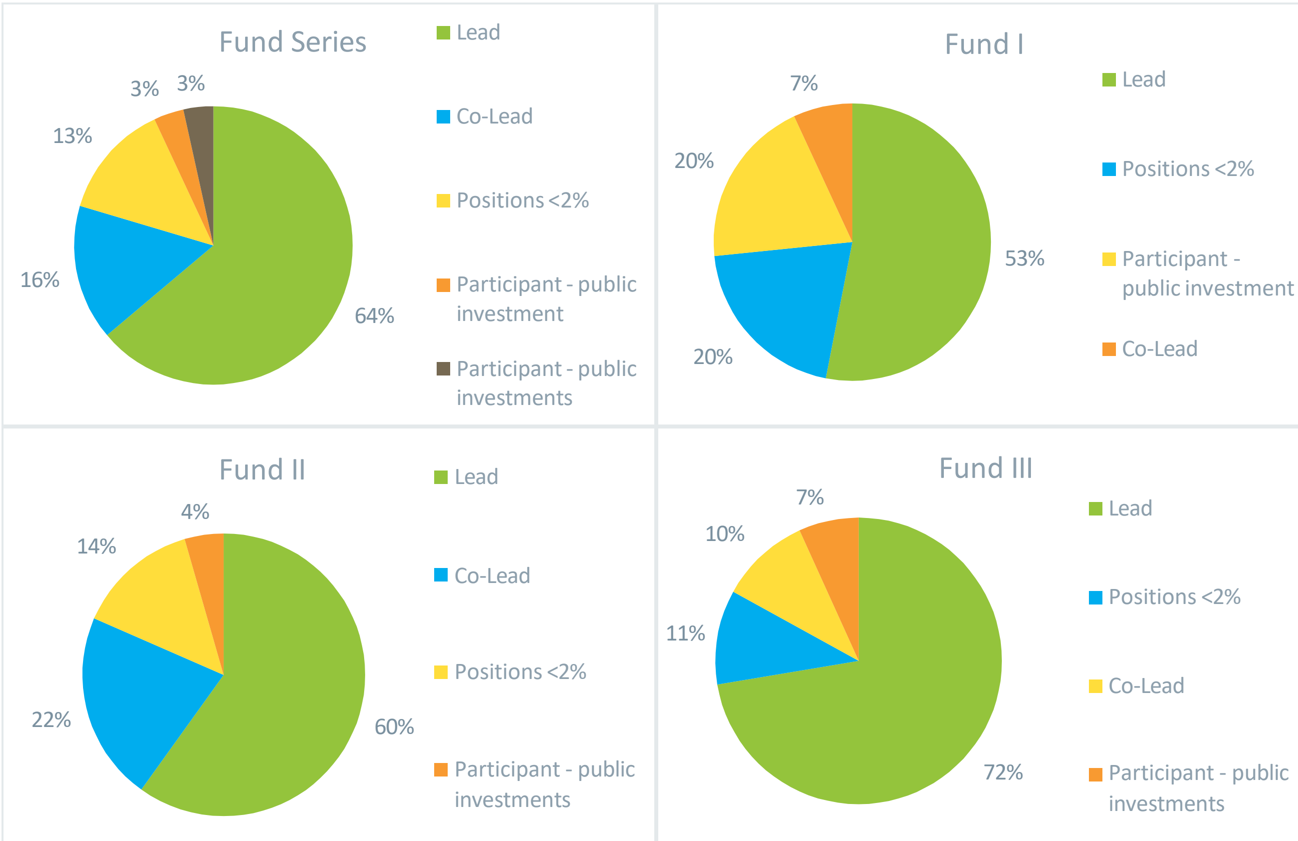
Figure 19: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Top Ten Use of Proceeds



Source: Kennedy Lewis & RVK

In most of Kennedy Lewis' deals, they are the lead lender, as seen in Figure 20. In fact, in 64% of the Fund Series deals that Kennedy Lewis invested in, they were the lead lender, taking the leadership role in transactions. Through these positions of authority in the lender group, the Firm can directly negotiate loan terms with the borrower and employ its defensive strategy, rather than relying on other lenders in the lender group, which may lack the same risk control and be more willing to accept borrower-friendly loan terms. Historically, this emphasis on leadership has resulted in loan documents that are more lender-friendly. Additionally, lead lenders are typically able to drive tighter covenants on loans, which puts Kennedy Lewis' portfolio in a more defensive position while being able to participate in the same rate structures seen in less favorable loans. Finally, since the Firm is leading discussions with borrowers, sponsors, and non-sponsors, it can establish stronger personal relationships with counterparties, further augmenting the strength of its sourcing network. This has translated to the portfolio of companies' bottom lines and improved their standings in the capital markets.

Figure 20: Kennedy Lewis Fund Series, I, II, & III Invested Capital by Lending Group Position



Source: Kennedy Lewis & RVK

Investment Process

OVERALL EVALUATION	• Kennedy Lewis' investment process exemplifies various distinct competitive advantages, including vertical/industry expertise within less traveled parts of the private debt market. • The Fund's portfolio managers hold separate weekly meetings with the vertical heads to discuss their pipeline, the risks within their vertical/industry, where to focus the efforts, and provide an update on existing positions in the portfolio. • Kennedy Lewis is looking for high-quality companies that are undervalued at current levels, private transactions that traditional capital sources have overlooked, and occasionally, restructuring opportunities.

Kennedy Lewis' investment process exemplifies various distinct competitive advantages, including vertical/industry expertise within less traveled parts of the private debt market, a rigorous underwriting process, and a focused sourcing channel bolstered by Kennedy Lewis' investment team and deep industry expertise that has historically resulted in successful value creation for Kennedy Lewis portfolio companies. The following sections discuss each phase of Kennedy Lewis' investment process. All data in this section is as of 3/31/2024.

Figure 21: Typical Deal Characteristics

Deal Metric	Typical Range
Investment Size	$75 - $300 million+
Target Number of Investments	15 - 25
Position Sizes	4% - 6%, not to exceed 10%
Asset Type	Primarily senior secured term loans with flexibility to invest in subordinated loans & equity securities (maximum limit of 25%)
Investment Duration	1 - 5 years
Interest Rate (Including PIK)	11 - 12%
OID / Origination Fees	200 - 500bps+
All-In Contractual Yield (Average)	12.5%
Loan-to-Value (Average at Entry)	42.5%
Loan-to-Value (Average at 3/31/24)	42.4%
Borrower Revenue (Average at Entry)	$362M
Borrower Revenue (Average as of 3/21/24)	$397M
Borrower EBITDA (Average at Entry)	$12M
Borrower EBITDA (Average as of 3/31/24)	$32M
Borrower Enterprise Value	$300 million - $3 billion
Call Protection	100% for primary investments
Covenant Protection	100% for primary investments
Kennedy Lewis Board Participation	50%

Lender Group Position	Sole or Lead Lender may include club deals

Source: Kennedy Lewis & RVK.

Asset Selections: Once Kennedy Lewis identifies a sector in transition, they will assess the cause of that disruption and evaluate the expected duration of those industrial and/or economic forces at the heart of the disturbance. This helps inform the extent to which the Firm wants to be invested in the space. It also helps to calibrate what type of risk the Firm may be willing to tolerate. Once Kennedy Lewis has thoroughly evaluated the sector, the Firm will seek to identify the contemporary opportunity set within the investable universe of the industry affected. The investment team will then distill its analysis down to finding the best way to exploit its sector view, which includes identifying specific sub-industries and companies. Kennedy Lewis has found that understanding the disruption's causes and the transition period's expected duration will inform what part of the capital structure Kennedy Lewis will target for investment.

In some cases, the Firm will look to invest on the front end of these disruptive forces in the form of highly structured growth capital, supporting companies that have developed unique products, technologies, or services. In other situations, they will continue to invest through the lens of stress and occasionally distress in companies that have found themselves overrun by sector disruption and exacerbated by ill-fitting capital structures. Here, capital is intended to facilitate the company's re-performance.

Kennedy Lewis is looking for high-quality companies that are undervalued at current levels, private transactions that traditional capital sources have overlooked, and occasionally, restructuring opportunities. With dislocation comes an increasing opportunity set in which credit selection, deal structuring, and/or positioning within the capital structure are among the key determinants of success.

Portfolio Construction: The Kennedy Lewis Capital Partners Fund IV will hold 15-25 core investments across various borrowers and industries at any time. Investments will be sized relative to the risk of loss and expected volatility, among other factors. The Fund will be subject to certain diversification and other portfolio guidelines to promote portfolio diversification. The Fund will not depend on any asset class or region to achieve target returns.

While private, directly originated transactions are the primary focus, Fund IV can take advantage of the dislocation in the public markets and initiate positions in fundamentally solid companies trading at significant discounts due to “flight-to-safety” selling behavior that creates attractive buying opportunities.

Fund IV will typically target core investments between $75 million and $300 million in middle-market companies, although investments outside of this range will be considered. The Fund’s portfolio may consist of, but is not necessarily limited to, privately originated debt, leveraged loans, investment grade and high yield bonds and notes, equity and equity-linked securities, mortgages, liquidation claims, advances, credit derivatives, and real assets. Investments may include other assets or businesses with an appropriate event-driven or value opportunity. From time to time, the Fund may invest in highly structured investments to fund corporate growth or recapitalize a company. In addition, the Fund will participate in land bank financings and first mortgage land development loans with homebuilders and land developers. The Fund will likely invest in private and public securities or loans of non-investment grade and potentially non-rated companies.

Sourcing: Across all verticals, Kennedy Lewis' asset selection process emanates from sector analysis and begins with evaluating the leverage finance market in search of industries facing transition or disruption. The team then seeks to identify the secular, cyclical, or regulatory forces causing the disruption as well as innovation that is fueling disruption. Core to Kennedy Lewis' sourcing edge are the industry verticals it has established to facilitate proprietary sourcing. These verticals, organized around disruptive sectors or themes, allow Kennedy Lewis to scale firm resources and create a "moat" around the Firm's best trades. Each vertical is led by a senior investment professional (Partner or Managing Director) with networks and competencies in the specific niche and asset where they focus. The senior members of the team responsible for each vertical leads the sourcing and underwriting of investments. Additionally, the firm's sourcing is augmented by a dedicated origination team that is agnostic to vertical strategies. It cultivates regional and targeted contacts like regional banks, business owners, and related entities. Fund IV does not have set allocations to a given vertical, rather, investments brought to IC are evaluated relative to the opportunity set available across all verticals.

The team actively tracks hundreds of "target" companies at any given point in time so that when a financing opportunity becomes available, the team has an information advantage that allows it to move quickly to lead and structure an investment. The team typically gets to know companies/management teams over several months or years before structuring a potential investment and presenting it to Kennedy Lewis' investment committee.

Kennedy Lewis takes a partnership approach with borrowers and does not structure loans that set a company up for failure. For example, companies in transition are sensitive to interest rates; therefore, fixed-rate loans are often more appropriate than floating-rate loans for borrowers.

Initial Screen/Weekly Review: The portfolio managers for the strategy hold separate weekly meetings with the vertical heads to discuss their pipeline, the risks within their vertical/industry, where to focus the efforts, and provide an update on existing positions in the portfolio. After the deal team has identified a potential idea/theme or an investment opportunity and conducted a preliminary business and situation screen, it may be brought up at a "Heads-Up" meeting, which is held bi-weekly or more frequently as needed. At the "Heads-Up" meeting, initial ideas or investment opportunities are discussed with the Investment Committee ("IC") on whether to advance the idea or not. If the idea advances, the team will conduct further research and analysis to get a term sheet for the IC.

Due Diligence: Kennedy Lewis underwrites each investment to a range of potential outcomes (worst case to upside case) to ensure it is positioned to achieve a successful outcome even when borrowers do not perform as planned. While Kennedy Lewis does not pursue a traditional distressed investment strategy, Kennedy Lewis' team has distressed debt experience spanning multiple crises, deep restructuring expertise, and longstanding relationships with advisors and banking partners. During the underwriting process, the team is acutely focused on downside protection based on the quality of the asset, with an emphasis on senior secured instruments and portfolio diversification. Therefore, in its worst-case underwriting scenario, the team can gain control in a restructuring process, and the liquidation value of the borrower's assets could potentially lead to a full recovery of the principal.

Investment Committee: The Investment Committee is chaired by David Chene and Darren Richman, the Co-Founders and Co-Portfolio Managers; other voting members include Doug Logigian, Co-Managing Partner and President; Dik Blewitt Partner and Head of Tactical Opportunities; Mark Crawford, Partner and Head of Power; Brian Dubin Partner and Head of TMT; and Doug Gerowski Managing Director and Trader. Mr. Chene and Mr. Richman have veto power at the IC. Highlighted in Figure 4. Something of note is that David Valiaveedan, a Partner and one of the primary investment professionals focused on Homebuilder Finance alongside Darren Richman, is not on the IC. Homebuilder Finance is the largest allocation in Fund III at 28%, and we believe Mr. Valiaveedan should be considered for the IC to represent the Homebuilder Finance vertical.

Investment Committee Review: The IC reviews the comprehensive credit file, assesses risk, identifies the fulcrum security within the target company's capital structure, considers relative value alternatives and how the opportunity fits within the portfolio, identifies sourcing and strategy tactics and sizing, outlines expected exit plan and other scenarios. Investments are documented by a comprehensive memorandum, including the investment recommendation, business review, investment model, risk assessment, and all supplemental research. Before receiving final Investment Committee approval, the deal team must complete confirmatory due diligence and finalize documentation. Once the deal closes and comes into the fund, monitoring updates are provided during the weekly vertical meetings or as needed, and any course corrections will be discussed in that forum.

Execution, Monitoring, and Exit: Once the Investment Committee approves an investment, Doug Gerowski and Eugene Koltunov will be the primary traders who will source the asset and execute the trades to build the desired position size. Doug Logigian, David Chene, and Darren Richman will serve as the backup traders to Messrs. Gerowski and Koltunov. The Allocation Committee was established to review all trades every quarter to ensure adherence to existing policy and apply additional scrutiny on allocation exceptions. The Allocation Committee is also responsible for maintaining and refining the Allocation Policy as the Firm evolves. The Portfolio Managers are the only professionals allowed to authorize a position's initiation, addition, subtraction, and exit.

Portfolio Monitoring: Kennedy Lewis is actively involved with each portfolio company. Each investment is structured to ensure that Kennedy Lewis has managerial influence and oversight to ensure compliance with the investment covenants. Kennedy Lewis may seek board representation or board observer rights to provide additional oversight and influence; Kennedy Lewis professionals are currently on the board of several companies in the portfolios of Kennedy Lewis and manage funds.

Each of the Fund's investments is assigned a senior investment professional responsible for managing and monitoring the investment. The senior analyst is the day-to-day contact between Kennedy Lewis and the portfolio company and collaborates closely with the company's management team. Kennedy Lewis investment professionals are also responsible for tracking the investment's progress and regularly providing data on headline operational and financial performance metrics, balance sheet development, market conditions, key milestones, potential problems, and possible remedial next steps.

After an investment, Kennedy Lewis’ team is consulted by the company’s management team on material issues that may affect the viability of an investment, Kennedy Lewis' reputation, or its relationships with portfolio companies.

All investment models are updated quarterly based on the underlying portfolio company's current financial information. Current and trending metrics outside of underwritten ranges will highlight areas for proactive discussions by the vertical team and Investment Committee. These discussions may lead to proactive remediation. These metrics will support drivers used to establish the current valuation.

Risk Management, Recovery, and Work-out Process: Additionally, Kennedy Lewis offers critical investment support services to its portfolio investments, including members of the Firm’s Operational Resource Center (ORC). The ORC was borne out of the idea that the best way to risk manage underperforming credits is to address the problem early and with the correct resources. Many have tried risk mitigation for problem credits with sophisticated technology-based solutions and/or through portfolio diversity and construction. Each of these should be a part of the risk management solution. Kennedy Lewis has found it equally important to ensure the Firm has early warning mechanisms built into the credit documents in the form of covenants and, importantly, having dedicated operators on standby who can parachute into a situation to bring operational oversight as and when needed. This contrasts with the broader credit market approach, which brings workout experts into the situation, often after it is too late to recover meaningful value.

Performance and Track-Record Analysis

Overall Evaluation	• The Kennedy Lewis fund series has performed per RVK's expectations for an opportunistic credit strategy. • Fund I has a net IRR of 12.40%, Fund II has a net IRR of 10.48%, and Fund III has a net IRR of 10.31%. • The loss ratio of 0.37% is low for an opportunistic strategy. • Fund I had sensitivity to individual positions. However, Fund II & III fared better

The following section reviews the Kennedy Lewis Capital Partners Fund Series performance and the track record of its underlying portfolio investments. RVK has calculated net fund-level and gross investment-level performance with cash flows provided by the manager. All data within this section is as of 3/31/2024.

Figure 22: Fund Series Summary (As of 3/31/2024)

Fund	Vintage Year	No. of Companies	Commits ($M)	Contributions ($M)	Distributions ($M)	NAV ($M)	Total Value ($M)
Fund I	2017	30	$516	$476	$223	$257	$480
Fund II	2020	40	$2,000	$1,816	$0	N/M	N/M
Fund III	2021	20	$3,600	$1,982	$0	N/M	N/M

Source: Kennedy Lewis & RVK

As shown in Figure 22, Kennedy Lewis has 90 positions throughout the fund series. Fund I is the only fund that has distributed capital. Since Funds II and III have not distributed any capital, performance and multiples are expected to increase as investments become realized. It is important to understand that benchmarking strategies like Kennedy Lewis funds can be complex due to the limited data available.

Fund I has returned a Net IRR of 12.40% and Net TVPI of 1.48x, which puts the fund in the 2nd quartile for both IRR and TVPI, according to Preqin. Additionally, Fund II has returned a Net IRR of 10.48% and a Net TVPI of 1.33x, which puts them in the 3rd IRR quartile and 2nd TVPI quartile. Fund III has returned a Net IRR of 10.31% and Net TVPI of 1.14x, which is in the 3rd IRR quartile and 2nd TVPI quartile, according to Preqin. The Kennedy Lewis Fund Series has performed within expectations. Since Funds II and III have not distributed capital back to investors as of 3/31/2024, the Net DPI in Figure 23 is not material (N/M).

Figure 23: Fund Series Summary (As of 3/31/2024)

Fund	Vintage Year	Net IRR	Net TVPI	Net DPI	Preqin IRR Quartile	Preqin TVPI Quartile	Preqin DPI Quartile
Fund I	2017	12.40%	1.48x	0.47x	2nd	2nd	4th
Fund II	2020	10.48%	1.33x	N/M	3rd	2nd	N/M
Fund III	2021	10.31%	1.14x	N/M	3rd	2nd	N/M

Source: Kennedy Lewis & RVK. RVK has calculated performance using cash flows provided by the manager. Fund performance has been compared against the private debt peer group as of 3/2024.

Peer Comparison

RVK has recently looked at multiple opportunistic, special situations, and stressed/distressed strategies due to the opportunity set within the private credit market. Figure 24 compares peers in the market with similarly sized investment teams and commitment sizes. As mentioned, some peers with opportunistic strategies invest in debt and equity. RVK tried to identify funds that primarily invest in debt with equity as a by-product of the debt:

- Kennedy Lewis Capital Partners Fund IV focuses on various distinct competitive advantages, including vertical/industry expertise within less traveled parts of the private debt market, a rigorous underwriting process, and a focused sourcing channel bolstered by Kennedy Lewis' investment team and deep industry expertise.

- Marathon Asset Management focuses on stressed/distressed and dislocated credits and provides capital solutions to corporate borrowers.

- TPG AG Credit Solutions Fund III is intended to be "all-weather" and can be executed in any market environment, so investors do not have to wait for defaults or try to time the cycle.

- BlackRock Global Credit Opportunities Fund III is an all-weather strategy seeking to capture attractive situations in opportunistic credit by constructing a concentrated portfolio of performing, stressed, and/or distressed assets throughout the credit cycle.

Figure 24: Peer Fund Comparison

Peer Comparison (data as of latest available)				
Firms	Kennedy Lewis Capital Partners	Marathon Asset Management	TPG Angelo Gordon	BlackRock
Year Established	2017	1998	1988 (AG), 1992 (TPG)	1988
Headquarters	New York, NY	New York, NY	New York, NY	New York, NY
Investment Profs	38	90	220	22
Fund Names	Kennedy Lewis Capital Partners Fund IV	Marathon Dislocated Credit Fund II	TPG AG Credit Solutions Fund III	BlackRock Global Credit Opportunities Fund III
Investment Objective	It targets a non-sponsored lending strategy that requires fundamental, bottom-up independent credit research, sector expertise, and creative loan structuring.	Focused on generating attractive risk-adjusted returns in distressed and dislocated credit markets by providing capital solutions to corporate borrowers in various complex solutions.	It is intended to be "all-weather" and can be executed in any market environment, so investors do not have to wait for defaults or try to time the cycle.	An all-weather strategy seeking to capture attractive situations in opportunistic credit by constructing a concentrated portfolio of performing, stressed, and/or distressed assets throughout the credit cycle.
Target Return	12%-14% Net IRR, 1.5x-2.0x Net MOIC	15-20% Net IRR, 1.5-2.0x Net MOIC	14% Net IRR	12-14% Net IRR
Commitments	Targeting $4 Billion	Targeting $3 Billion	Targeting $4.5 Billion	Targeting $3 Billion
Fee & Carry	1% on committed, 1% on invested 15% carried interest 7% preferred return	1.00% >=$100M 20% carried interest 8% preferred return	1.55% >=$50M-$99M 20% carried interest 8% preferred return	1.25% 20% carried interest 8% preferred return
Geography	North America & Europe	North America & Europe	North America & Europe	Global
Investment Type	Private & Public	Private & Public	Private & Public	Private & Public
Sectors	Real Estate, Industrials, Utilities, Energy, ABS	Auto, Healthcare, Hospitality, Housing, Industrials, Travel	Real Estate, Consumer Dis., Telecom, Materials, Healthcare	Metals & Mining, Consumer Services, Telecom
Last CF Fund Size	$3,600M	$3,233M	$3,133M	$1,464M
Fundraise Status	Open	Open/Closing Soon	Open	Open

Performance by Fund [Fund No. (Vintage Year) Commitments – Net IRR, Net MOIC]				
Prior Fund	Fund I (2017) $516M – 13.6%, 1.6x	Drawdown Fund I (2009) $400M – 16.3%, 1.9x	Fund I (2019) $1.8B – 12.8%, 1.4x	
Prior Fund	Fund II (2020) $2B – 11.5%, 1.4x	Fund I (2020) $1.8B – 12.5%, 1.5x	Fund II (2021) $3.1B – 11.5%, 1.1x	Fund I (2018) $1.2B – 6.9%, 1.2x
Most Recent Fund	Fund III (2021) $3.6B – 12.5%, 1.2x	Fund II (2024) $1.5B – 16%, 1.8x	Fund II A (2022) $1.3B – 16.4%, 1.2x	Fund II (2022) $1.5B – 11.9%, 1.1x

Sources: RVK collected the data from Kennedy Lewis, Marathon, TPG AG, and BlackRock as of the last time the manager provided it.

Attribution Analysis

The following section analyzes the position-level gross performance of Kennedy Lewis' underlying investments broken out by various attribution characteristics. Our analysis focuses on the gross multiple (TVPI or Total Value to Paid-in Capital), as we believe this performance metric is an overall indication of long-term wealth generation.

As illustrated in Figure 25, 27% of Kennedy Lewis' track record has already been realized, allowing for a robust evaluation of what this strategy series has already achieved. The track record's performance includes a Gross Realized IRR of 32.5%. Unrealized invested capital makes up 73%, with a Gross Unrealized IRR of 19.8%. As these investments are realized, we expect Funds II and III performance to improve.

Figure 25: Fund Series Attribution – Invested Capital by Realized/Unrealized

Realized/ Unrealized	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Realized	38	$2,596	27%	$3,193	32.5%	1.27x
Unrealized	52	$7,181	73%	$8,374	19.8%	1.55x

Source: Kennedy Lewis & RVK

Kennedy Lewis has exhibited consistent performance since 2018, outperforming in 2020-2021, when the Firm invested 65% of capital included in the track record. It is a good sign to see an opportunistic strategy like this deploying capital during Covid, one of the best opportunities in recent history. Considering that Kennedy Lewis has indicated that they invest in disruptions within the market, we would like to see them deploying capital during dislocations within the private and public debt markets.

Figure 26: Fund Series Attribution – Invested Capital by Year

Years	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
2017	2	$48	0.5%	$77	-7.4%	1.09x
2018	10	$748	8%	$923	26.9%	3.16x
2019	9	$219	2%	$311	28.9%	1.40x
2020	24	$1,987	20%	$2,396	36.8%	1.25x
2021	20	$4,424	45%	$5,065	13.6%	1.18x
2022	9	$716	7%	$979	35.8%	1.45x
2023	10	$987	10%	$1,154	19.5%	1.14x
2024	6	$648	7%	$661	15.7%	1.02x

Source: Kennedy Lewis & RVK

The allocations to various deal sizes are spread out evenly from $40 million to $500 million for the Fund Series. Kennedy Lewis had two deals worth over $500 million allocated to the Homebuilder Finance Fund. In Fund I, the committed capital was $516 million, and the investment sizes ranged between $0 to $60 million. In Fund III, the Firm raised $3.6 billion in commitments, and the investment sizes increased between $100 million and $1 billion. Kennedy Lewis is trying to raise $4 billion for Fund IV. The concern is that if Kennedy Lewis raises more capital, they could lose their ability to invest strategically and be forced to put money to work to generate returns. Kennedy Lewis stated that if the market opportunity is not as significant as it is currently, they would consider raising less capital than previous vintages. This will have to be monitored when the Firm launches the next vintage.

Figure 27: Fund Series Attribution – Invested Capital by Sizes

Size	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
$0-$40M	26	$526	5%	$711	30.0%	1.90x
$40M-$80M	33	$1,948	20%	$2,579	28.8%	1.33x
$80M-$120M	10	$989	10%	$1,190	15.9%	1.19x
$120M-$180M	8	$1,195	12%	$1,407	17.8%	1.18x
$180M-$220M	5	$1,029	11%	$1,130	20.9%	1.10x
$220M-$500M	6	$1,823	19%	$2,014	19.5%	1.11x
$500M+	2	$2,267	23%	$2,536	16.2%	1.12x

Source: Kennedy Lewis & RVK

The majority of Kennedy Lewis invested capital has been within North America. The investment guidelines indicate that the Firm can invest in Western Europe. Europe could be another area in which Kennedy Lewis could grow vertically. The Firm has made some investments within Europe. Still, considering that North American loans have historically been in line or traded at a premium to European borrowing rates, RVK believes this is prudent investing. Until the European loan market trades at a premium over North American loans, we do not think that investors are being compensated for the risks they take in Europe.

Figure 28: Fund Series Attribution – Invested Capital by Country

Country	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
United States	80	$8,224	84%	$9,905	24.7%	1.47x
Positions <2%	6	$1,313	13%	$1,394	24.2%	1.05x
Ireland	1	$140	1%	$161	13.2%	1.14x
Germany	2	$82	1%	$88	18.8%	1.06x
United Kingdom	1	$18	0.2%	$19	100.0%	1.08x

Source: Kennedy Lewis & RVK

Growth capital is the top use of proceeds for borrowers in the Fund Series transactions. However, the strategy has been diversified across different uses like acquisitions, refinancing, and secondaries. As mentioned before, with rates moving up and leverage increasing for borrowers, we would expect Kennedy Lewis to be active in debt refinancing. Another unique area to Kennedy Lewis is landownership, accessed through the Homebuilder Finance Fund. Overall, Kennedy Lewis is providing loans to borrowers that have a diversified use of proceeds across them.

Figure 29: Fund Series Attribution – Invested Capital by Use of Proceeds

Use of Proceeds	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Growth Capital	30	$1,982	20%	$2,571	19.9%	1.27x
Land Ownership	1	$1,323	14%	$1,464	16.2%	1.11x
Public Positions <2%	6	$1,313	13%	$1,394	24.2%	1.05x
Acquisition	4	$1,267	13%	$1,435	15.9%	1.13x
Refinancing	10	$1,060	11%	$1,288	26.6%	2.96x
Secondary	16	$909	9%	$1,193	53.4%	1.37x
CLO Equity	2	$443	5%	$496	14.9%	1.12x
Refinancing	3	$259	3%	$292	17.9%	1.12x
Growth Capital & Shareholder Loan	2	$193	2%	$193	-3.2%	0.92x
Refinancing & Dividend Recap	2	$176	2%	$226	19.6%	1.28x
Whole Loans	2	$145	1%	$150	11.7%	1.03x
Refinance debt & fund capex	2	$125	1%	$126	13.8%	1.01x
Growth	1	$117	1%	$158	11.6%	1.35x
Refinancing & cash to balance sheet for growth	1	$108	1%	$132	12.7%	1.23xx
Financing for portfolio of consumer receivables	2	$82	1%	$88	18.8%	1.06x
Bridge to stabilization	1	$73	1%	$88	20.7%	1.21x
Growth & Refinancing	1	$49	0.5%	$49	0.8%	1.02x
Mortgages	1	$43	0.4%	$45	8.8%	1.05x
Reorg & Growth Capital	1	$42	0.4%	$76	17.2%	1.82x
Construction Financing	1	$38	0.4%	$44	15.0%	1.17x
Litigation Finance	1	$32	0.3%	$59	36.0%	1.84x

Source: Kennedy Lewis & RVK

Kennedy Lewis has indicated that one of the most significant opportunities for Fund IV will be within the Power vertical. The Energy and Utility sectors fall within the Power vertical at Kennedy Lewis. Mark Crawford and the Power team look for power plants transformed from a less environmentally friendly way of producing energy to a cleaner energy source that can potentially be a longer-term energy-producing source. The Firm has done well in a challenging sector where many peers have not fared. Kennedy Lewis historically has over 35% Gross IRRs for both the Energy and Utility sectors. Another sector the Fund Series has allocated to is Real Estate, which falls into the Homebuilder Finance vertical. The team's investments have experienced a Gross IRR of over 17%, which aligns with peers who lend to homebuilders.

Figure 30: Fund Series Attribution – Invested Capital by Sector

Sector	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Real Estate	3	$2,340	24%	$2,624	17.7%	1.15x
Industrials	13	$1,501	15%	$1,729	16.5%	1.13x
Public Positions <2%	6	$1,313	13%	$1,394	24.2%	1.05x
Consumer Discretionary	17	$1,177	12%	$1,366	25.4%	1.13x
Energy	8	$632	6%	$765	35.2%	1.29x
Utilities	7	$593	6%	$794	37.4%	1.53x
Asset-Backed Securities	3	$584	6%	$657	14.3%	1.13x
Health Care	12	$539	6%	$720	12.9%	1.29x
Information Technology	8	$372	4%	$581	32.5%	3.60x
Telecommunication Services	5	$364	4%	$447	18.2%	1.20x
Financials	5	$236	2%	$336	60.6%	1.23x
Consumer Staples	1	$75	1%	$94	12.1%	1.25x
Sovereign/Diversified	1	$43	0.4%	$45	8.8%	1.05x
Materials	1	$10	0.1%	$15	50.0%	1.53x

Source: Kennedy Lewis & RVK

Land Ownership is the largest holding by asset type, which is expected to be the case in Fund IV. The Fund gets access to Land Ownership through the Homebuilder Finance Fund. The second largest asset type by invested capital is First-Lien Term Loans, which tend to be short-term loans at the top of the capital stack and are first to be paid back. Kennedy Lewis has a very diversified portfolio of asset types, illustrating Kennedy Lewis' ability to provide bespoke solutions for borrowers.

Figure 31: Fund Series Attribution – Invested Capital by Asset Type

Asset Type	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
Land Ownership	2	$2,267	23%	$2,536	16.2%	1.12x
First Lien Term Loan	20	$1,710	17%	$1,942	21.2%	1.22x
Public Positions <2%	6	$1,313	13%	$1,394	24.2%	1.05x
CLO Equity	2	$443	5%	$496	14.9%	1.12x

First Lien Term Loan; Common Equity	2	$327	3%	$365	15.6%	1.11x
First Lien Term Loan; Unsecured Convertible Note	2	$299	3%	$400	16.1%	1.35x
Mezzanine Term Loan	2	$250	3%	$349	34.2%	1.40x
Preferred Equity	4	$217	2%	$367	39.1%	1.71x
First Lien Term Loan; Jr. Mezzanine Loan	1	$215	2%	$249	15.1%	1.16x
Preferred Equity; Warrants	2	$182	2%	$203	17.1%	1.11x
Senior Secured Term Loan; Common Equity	2	$176	2%	$226	19.6%	1.28x
Second Lien Term Loan; Common Equity; Shareholder Loan	1	$167	2%	$172	1.3%	1.03x
Whole Loans	2	$145	1%	$150	11.7%	1.03x
Secured Notes; Common Units	1	$143	1%	$214	23.9%	1.50x
On-Lease Commercial Aircraft; Warrants	1	$140	1%	$161	13.2%	1.14x
Senior Unsecured Debt	3	$132	1%	$157	83.3%	1.18x
Equity; Promissory Note	2	$122	1%	$114	-2.9%	0.95x
Convertible Preferred Equity	1	$117	1%	$158	11.6%	1.35x
First Lien Convertible Note	2	$115	1%	$223	62.5%	1.94x
First Lien Term Loan; Common Units	2	$100	1%	$139	16.0%	1.39x
First Lien Term Loan; Preferred Equity; Warrants	2	$97	1%	$105	-16.1%	0.74x
Second Lien Term Loan	2	$95	1%	$115	32.6%	1.22x
Common Units	3	$87	1%	$212	41.5%	7.36x
Corporate Term Loan secured by auto receivables	1	$83	1%	$93	17.4%	1.12x
Mezzanine Loan	2	$82	1%	$88	18.8%	1.06x
First Lien Secured Notes; First Lien Term Loan	1	$80	1%	$96	7.7%	1.21x
Second Lien Term Loan; Common Equity	1	$79	1%	$107	36.7%	1.36x
First Lien Term Loan; Common Equity; Warrants	1	$75	1%	$94	12.1%	1.25x
DIP Term Loans; Senior Secured Exit Facility	1	$73	1%	$88	20.7%	1.21x
Preferred Equity; Common Equity	1	$66	1%	$108	22.3%	1.65x
Senior Unsecured Debt; Revolver	2	$51	1%	$57	41.7%	1.08x
First Lien Term Loan; Second Lien Term Loan; First Lien Term Loan	1	$49	0.5%	$49	0.8%	1.02x
First Lien Mortgages	1	$43	0.4%	$45	8.8%	1.05x
First Lien Term Loan; Preferred Equity	1	$40	0.4%	$65	12.9%	1.62x
HoldCo Term Loan	1	$38	0.4%	$44	15.0%	1.17x
First Lien Term Loan; LLC Equity	1	$32	0.3%	$59	36.0%	1.84x
Senior Secured Debt	2	$26	0.3%	$39	75.0%	1.55x
Common Equity; Shareholder Loan	1	$26	0.3%	$21	-7.7%	0.81x
Preferred Equity; Common Equity; Promissory Note	1	$20	0.2%	$1	N/M	0.06x

First Lien Secured Notes	1	$19	0.2%	$21	3.8%	1.13x
Perpetual Preferred	1	$18	0.2%	$19	100.0%	1.08x
Common Equity	1	$12	0.1%	$12	1.2%	1.05x
Unsecured Convert	1	$10	0.1%	$15	50.0%	1.53x

Source: Kennedy Lewis & RVK

Kennedy Lewis was the lead or co-lead lender in 80% of their positions. Through these positions of authority as the lead lender or the co-lead lender of a group, Kennedy Lewis can directly negotiate loan terms with the borrower and employ its defensive strategy, rather than relying on other lenders in the lender group that may lack the same risk control and be more willing to accept borrower-friendly loan terms. Historically, this emphasis on leadership has resulted in loan documents that are more lender-friendly.

Figure 32: Fund Series Attribution – Invested Capital by Lending Group Position

Lending Group Position	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($)	Gross IRR	Gross Multiples
Lead	56	$6,242	64%	$7,462	18.0%	1.24x
Co-Lead	15	$1,541	16%	$1,899	22.4%	2.40x
Public Positions <2%	6	$1,313	13%	$1,394	24.2%	1.05x
Participant - public investments	13	$682	7%	$812	59.8%	1.27x

Source: Kennedy Lewis & RVK

Figure 32 shows the deal leads, which coincide with the verticals that Kennedy Lewis focuses on. For example, David Valiaveedan, who heads the effort for Homebuilder Finance, is the deal lead responsible for the largest amount of invested capital in the Fund Series. Something of note is that all deal leads have performed above or within expectations. This could be attributed to Kennedy Lewis employees' level of expertise within each vertical.

Figure 33: Fund Series Attribution – Invested Capital by Deal Leads

Deal Leads	Count	Invested Capital ($M)	% of Invested Capital	Total Value ($M)	Gross IRR	Gross Multiples
David Valiaveedan / Brieanne Nikrandt	2	$2,267	23%	$2,536	16.2%	1.12x
Public Positions <2%	6	$1,313	13%	$1,394	24.2%	1.05x
Mark Crawford	8	$945	10%	$1,000	22.8%	1.07x
Darren Richman / Doug Logigian / Brian Dubin	7	$778	8%	$975	22.8%	1.29x
Dik Blewitt	5	$710	7%	$794	13.8%	1.11x
Darren Richman / Brian Dubin	13	$703	7%	$845	25.5%	2.50x

Doug Logigian	6	$678	7%	$777	16.8%	1.16x
David Kho	11	$532	5%	$718	17.8%	1.38x
David Chene / Mark Crawford	7	$376	4%	$655	46.8%	1.77x
David Chene / Doug Logigian / Brian Dubin	3	$284	3%	$358	17.3%	1.27x
Dik Blewitt / Adam Goldberg	4	$227	2%	$237	15.3%	1.05x
David Chene	1	$147	2%	$205	34.2%	1.40x
David Chene / Brian Dubin	3	$143	1%	$254	46.5%	1.66x
Public	5	$128	1%	$148	62.0%	1.17x
David Magid	2	$121	1%	$125	17.4%	1.04x
Doug Logigian / Brian Dubin	1	$117	1%	$158	11.6%	1.35x
Brian Dubin	2	$107	1%	$152	24.1%	1.54x
David Chene	1	$103	1%	$144	34.2%	1.40x
Darren Richman	1	$73	1%	$88	20.7%	1.21x
Darren Richman / David Chene	2	$28	0%	$4	-41.0%	0.20x

Source: Kennedy Lewis & RVK

Sensitivity Analysis

RVK performed a sensitivity analysis on Kennedy Lewis' track record to determine the strategy's return consistency and the relative impact of the most meaningful portfolio investments. In other words, to what degree did the best and worst-performing investments change the results of the strategy's long-term performance.

Our analysis suggests that the strategy track record has experienced moderate-to-high sensitivity to its best-performing investments for the Fund Series, as seen in Figures 34 and 35. However, this is due to Fund I heavily relying on top-performing investments, as seen in Figures 36 and 37. Removing the top performers from Fund I's investing history yields minimum gross multiples of at least 1.04x, extending up to 1.21x. Removing the top three best-performing assets significantly impacts Fund I's Gross Multiple, reducing it by 61 basis points from 1.82x to 1.21x. This downside sensitivity to top-performing assets indicates that Kennedy Lewis does have sensitivity that could drag down the strategy's performance. However, the sensitivity within Funds II & III has been improved, and there are tighter dispersions when removing the highest and lowest performing assets. The expectation is that this will continue into Fund IV.

Figure 34: Fund Series - Sensitivity Analysis

Performance Excluding	Count	Avg Gross TVPI	Avg Gross IRR
No Exclusions	90	1.43x	25.29%
Excluding 3 Highest	87	1.22x	24.10%
Excluding 5 Highest	85	1.20x	23.17%
Excluding 10 Highest	80	1.16x	22.05%
Excluding 3 Lowest	87	1.46x	26.45%
Excluding 5 Lowest	85	1.47x	27.14%
Excluding 10 Lowest	80	1.50x	28.03%

Source: Kennedy Lewis & RVK

Figure 35: Fund Series - Sensitivity Analysis

Performance Excluding	No. of Investments	Gross TVPI	Difference
No Exclusions	90	1.43x	-
Excluding 3 Highest	87	1.22x	-0.21
Excluding 5 Highest	85	1.20x	-0.23
Excluding 10 Highest	80	1.16x	-0.27
Excluding 3 Lowest	87	1.46x	0.03
Excluding 5 Lowest	85	1.47x	0.04
Excluding 10 Lowest	80	1.50x	0.07

Source: Kennedy Lewis & RVK

Figure 36: Fund I - Sensitivity Analysis

Performance Excluding	Count	Avg Gross TVPI	Avg Gross IRR
No Exclusions	30	1.82x	29.79%
Excluding 3 Highest	27	1.21x	28.47%
Excluding 5 Highest	25	1.16x	29.05%
Excluding 10 Highest	20	1.04x	25.72%
Excluding 3 Lowest	27	1.98x	33.95%
Excluding 5 Lowest	25	2.06x	34.92%
Excluding 10 Lowest	20	2.31x	33.87%

Source: Kennedy Lewis & RVK

Figure 37: Fund I - Sensitivity Analysis

Performance Excluding	No. of Investments	Gross TVPI	Difference
No Exclusions	90	1.82x	-
Excluding 3 Highest	87	1.21x	-0.61
Excluding 5 Highest	85	1.16x	-0.66
Excluding 10 Highest	80	1.04x	-0.78
Excluding 3 Lowest	87	1.98x	0.16
Excluding 5 Lowest	85	2.06x	0.24
Excluding 10 Lowest	80	2.31x	0.49

Source: Kennedy Lewis & RVK

Figure 38: Fund II - Sensitivity Analysis

Performance Excluding	Count	Avg Gross TVPI	Avg Gross IRR
No Exclusions	40	1.24x	23.54%
Excluding 3 Highest	37	1.18x	20.65%
Excluding 5 Highest	35	1.16x	20.28%
Excluding 10 Highest	30	1.13x	20.33%
Excluding 3 Lowest	37	1.26x	24.78%
Excluding 5 Lowest	35	1.27x	25.83%
Excluding 10 Lowest	30	1.31x	27.87%

Source: Kennedy Lewis & RVK

Figure 39: Fund II - Sensitivity Analysis

Performance Excluding	No. of Investments	Gross TVPI	Difference
No Exclusions	40	1.24x	-
Excluding 3 Highest	37	1.18x	-0.06
Excluding 5 Highest	35	1.16x	-0.08
Excluding 10 Highest	30	1.13x	-0.11
Excluding 3 Lowest	37	1.26x	0.02
Excluding 5 Lowest	35	1.27x	0.03
Excluding 10 Lowest	30	1.31x	0.07

Source: Kennedy Lewis & RVK

Figure 40: Fund III - Sensitivity Analysis

Performance Excluding	Count	Avg Gross TVPI	Avg Gross IRR
No Exclusions	20	1.21x	22.51%
Excluding 3 Highest	17	1.12x	16.05%
Excluding 5 Highest	15	1.08x	13.47%
Excluding 10 Highest	10	1.04x	12.29%
Excluding 3 Lowest	17	1.24x	24.78%
Excluding 5 Lowest	15	1.27x	26.86%
Excluding 10 Lowest	10	1.37x	32.73%

Source: Kennedy Lewis & RVK

Figure 41: Fund III - Sensitivity Analysis

Performance Excluding	No. of Investments	Gross TVPI	Difference
No Exclusions	20	1.21x	-
Excluding 3 Highest	17	1.12x	-0.09
Excluding 5 Highest	15	1.08x	-0.13
Excluding 10 Highest	10	1.04x	-0.17
Excluding 3 Lowest	17	1.24x	0.03
Excluding 5 Lowest	15	1.27x	0.06
Excluding 10 Lowest	10	1.37x	0.16

Source: Kennedy Lewis & RVK

Loss Ratio Analysis

Private markets involve less control over capital flows than public markets. As such, prospective investors should carefully evaluate any private investment strategy to determine its effectiveness in avoiding long-term capital loss. The following analysis aggregates data by investments with gross multiples below 1.0x to calculate the loss ratios of the track record.

As illustrated in Figure 42, the strategy's total loss ratio is 0.37%. Based on RVK's analysis of various opportunistic private credit strategies, we would expect this peer group to have an average total loss ratio between 1.5% and 3%. The total loss ratio would be considered exceptionally low for an opportunistic strategy. Figure 44 further illustrates Kennedy Lewis' low loss ratio with a 0.19% loss ratio in their realized investments. In RVK's view, this is due to Kennedy Lewis's level of expertise with each of the verticals they focus on. The level of diligence, loan structuring, and leadership positions within deals allow Kennedy Lewis to control the loan and provide resources to borrowers, directly aligning interest between the lender and the borrower.

Figure 42: Loss Ratio Analysis Fund Series

	Total Portfolio Cost ($M)	Held Below Cost ($M)	Distribution Held Below Cost ($M)	Current Value Held Below Cost ($M)	Number Held Below Cost	Total Number	% of Invested Capital Held Below Cost	Multiple Held Below Cost	Total Loss Ratio
Total	$9,777	$175	$11	$128	5	90	1.79%	0.80x	0.37%

Source: Kennedy Lewis & RVK

Figure 43: Loss Ratio Analysis Fund Series Realized & Unrealized Performance

	Count	Invested Capital ($M)	% of Invested Capital	Sum of Total Value ($M)	Avg Gross IRR	Gross MOIC
Realized	38	$2,596	27%	$3,193	32.5%	1.27x
Unrealized	52	$7,181	73%	$8,374	19.8%	1.55x

Source: Kennedy Lewis & RVK

Figure 44: Loss Ratio Analysis Fund Series Realized & Unrealized

	Portfolio Cost ($M)	Held Below Cost ($M)	Distributions Held Below Cost ($M)	Current Value Held Below Cost ($M)	Number of Positions Held Below Cost	Total Number of Positions	% of Invested Capital Held Below Cost	Multiple Held Below Cost	Total Loss Ratio
Realized	$2,596	$7	$2	$0	1	38	0.28%	0.33x	0.19%
Unrealized	$7,181	$168	$8	$128.5	4	52	2.34%	0.82x	0.43%
Total	$9,777	$175	$11	$129	5	90	1.79%	0.80x	0.37%

Source: Kennedy Lewis & RVK

Reference Calls

Overall Evaluation	• RVK spoke with two current limited partners (LPs) to investigate their experience with investments in Kennedy Lewis and one current LP that is reducing exposure to private credit and may not invest in Fund IV. • RVK spoke with a CEO who is currently a borrower in Funds I & II and the Chairman and CEO of a public company who has been a borrower in all three vintages. • RVK spoke with a private equity sponsor with which Kennedy Lewis has active deals. • Overall, the consensus view of Kennedy Lewis was positive.

RVK engaged in reference calls with the following parties: three current limited partners (LPs), a CEO of a private company that is a borrower in Funds II & III, a Chairman and CEO of a public company that has been a borrower in all three vintages, and a private equity sponsor that has done multiple deals with Kennedy Lewis. Our reference calls for Kennedy Lewis were favorable and introduced no new concerns. Furthermore, the references consistently emphasized Kennedy Lewis' substantial investment sophistication, active involvement with its borrowers, and collaborative approach with portfolio company executive managers and LPs. The direct feedback and significant themes from our reference calls with each party are described below.

Current LP (Seed Investor): The current LP was a seed investor in Fund I and has known David Chene and Darren Richman, going back to Mr. Chene's time at CarVal and Mr. Richman's time at Blackstone. They have been investors in Funds I, II, and III and are looking to re-up to Fund IV. The current LP holds Kennedy Lewis in high regard and indicated that the team has been very responsive and transparent when the LP requested information. Accordingly, the current LP did not have any negative comments about Kennedy Lewis and plans to maintain its investment in the strategy in the near future. They are also investors in the Homebuilders Finance Fund that Kennedy Lewis manages.

Current LP: This current LP is invested in Funds II & III and has re-underwritten Fund IV with the intent to invest. This LP thinks highly of the Kennedy Lewis team and spoke to them about the Petershill/Goldman acquisition. The LP has no near-term concerns about Kennedy Lewis being majority-acquired by another firm, indicating that the Kennedy Lewis team is young and wants to stay independent. We discussed the sustainability of the different verticals that the Firm focuses on, and the LP agreed that there is some risk of larger firms entering into the verticals and creating more competition. However, overall, the LP was positive about Kennedy Lewis and continues to support the Firm and its strategy.

Current LP (Anchor Investor): The LP that RVK spoke with was an anchor investor in Funds II & III. The organization is currently undergoing a complete restructuring of its private credit portfolio. The organization stated that it has seen opportunistic credit managers allocate more and more towards equity, which has raised the risk profile of many opportunistic funds. This LP spoke highly of Kennedy Lewis; however, due to a structural shift in potential allocation within their private credit portfolio, they may move on from investing with Kennedy Lewis. RVK would agree with this organization we spoke to as we have seen opportunistic strategies taking on more equity risks, raising the risk profiles. We remain focused on opportunistic strategies focused on credit, with equity being a by-product.

Private Equity Sponsor: The sponsor RVK spoke to has two current deals with Kennedy Lewis, winning those deals not on price but on the relationship that Kennedy Lewis has with the sponsor and borrowers. In the first deal, Kennedy Lewis was only in competition with a regional bank, and the sponsor said that the bank was hard to deal with. Kennedy Lewis was able to execute with speed and certainty and won the deal even though Kennedy Lewis was more expensive.

The second deal is a founder-owned business that fits into the Firm's verticals. Kennedy Lewis was competing with over 10 other lenders and was not the lowest cost. The sponsor spoke highly of Kennedy Lewis regarding how the Firm understands that when dealing with a founder-led business, you have to create speed and certainty and have a high level of expertise for the borrower to have confidence in the lender. The diligence can be invasive for a founder-owned business, and Kennedy Lewis' experience investing in non-sponsored deals can accommodate those needs. The sponsor stated that it will continue to show Kennedy Lewis deals and looks forward to continuing the relationship.

Current Portfolio Company CEO (Private Company): RVK spoke to the CEO of a private company where Kennedy Lewis provided a loan. Kennedy Lewis has two seats on this company's board, David Chene is the Chairman of the Board and James Didden also has a seat on the board. The CEO made nothing but positive remarks about Kennedy Lewis and said that David and James were active participants in advising on many different areas on the board and that they "are tough but fair." Kennedy Lewis has opened the rest of their resources to this company, with personnel from Kennedy Lewis having frequent dialogues with the CEO, either advising or making an introduction to another company. Many general partners claim to be partners with the companies they loan to; however, after speaking with the portfolio of companies that Kennedy Lewis has partnered with, they are true partners.

Current Portfolio Company Chairman & CEO (Public Company): RVK spoke to the Chairman and CEO of a public company, that Kennedy Lewis has provided loans in all three vintages. The CEO had nothing but positive remarks about Kennedy Lewis. The CEO specializes in turning around troubled companies and has previously dealt with many private credit firms. He said that Kennedy Lewis is tough but fair when negotiating. He believes Kennedy Lewis is a valuable partner for his company, offering resources that go beyond traditional lenders who only focus on providing financing. Unlike other lenders who prioritize their interests when structuring loans, Kennedy Lewis is focused on aligning with the borrower, which also tends to produce favorable performance for the Funds. Overall, the message was positive for Kennedy Lewis and the portfolio of companies that RVK spoke to.

SUMMARY OF FUND TERMS

Overall Evaluation	• RVK views the majority of the terms as industry standards and has reviewed the Limited Partnership Agreement, PPM, and the firm's financials.

RVK has conducted a fundamental review of the Fund's terms and documentation. The following section highlights critical observations we believe prospective investors should be aware of as they conduct their review. As always, we recommend that prospective investors use these key observations in conjunction with a complete documentation review conducted by authorized legal counsel. The "Sections" referred to can be found in the Limited Partnership Agreement ("LPA").

Investment Limitations – Section 2.1 (b) – Without the consent of the LP the Partnership:

- Shall not make an Investment in a single Security that exceeds fifteen percent (15%) of Commitments.
- Shall not make Investments in the Securities of a single issuer (which for the avoidance of doubt, may be made in different types of Securities issued by the same issuer, e.g., equity Securities of such issuer and debt Securities of such issuer) that, in the aggregate with respect to such issuer, exceed twenty percent (20%) of Commitments; provided that individual homebuilder counterparties on discrete projects that are part of the Homebuilder Finance strategy will not be deemed a single issuer.
- Shall not make Investments in Emerging Markets in excess of ten percent (10%) of Commitments.
- Shall not hold short positions in Securities that exceed seven- and one-half percent (7.5%) of Commitments.

Commentary: RVK views these terms as market.

Restrictions on Raising Competing Funds – Section 2.2 (b) - Without the approval of the LP Advisory Committee, none of the General Partner and its Affiliates will close or advise another privately offered, closed-ended, fixed term pooled investment fund (other than any Fund Vehicle and the Co-Investment Vehicle) with investment objectives substantially similar to those of the Partnership, Master Fund B and Master Fund C (a "Competing Fund") until the earlier of the end of the Investment Period, or the first date on which at least eighty-five percent (85%) of the total Commitments have been invested in, or committed or reserved for Investments or Partnership Expenses, and aggregate Capital Contributions equal at least seventy percent (70%) of the total Commitments.

Commentary: RVK views these terms as above market. Many private credit funds have no restrictions from raising assets while still investing capital from a previous vintage. Kennedy Lewis has restricted itself when it can raise another fund, which we view as favorable for investors.

Feeder Funds – Section 2.3 (b) - The General Partner has established the Domestic Feeder, the Offshore Feeder and the USTE Feeder and may establish one or more additional special purpose investment vehicles for certain investors to invest, directly or through intermediate entities, all of its investable assets in the Partnership, Master Fund B, Master Fund C and any Alternative Investment Vehicles.

Commentary: RVK views this term as market.

Expenses – Section 2.6 (b) - The Partnership shall pay or reimburse the General Partner for all costs and organizational expenses of the Feeder Funds, the Intermediate Blockers, the Partnership, Master Fund B and Master Fund C and the General Partner (the "Organizational Expenses"); provided that Organizational Expenses in excess of $5,000,000 (the "Organizational Expenses Cap") shall be borne by the Advisor.

Commentary: RVK views this term as market.

Management Fees – Sections 2.7 - The Advisor shall be paid a management fee quarterly in advance calculated with respect to each Limited Partner as follows:

During the Investment Period:

- Tranche A Limited Partners, one percent (1.0%) per annum of total Commitments;
- Tranche B Limited Partners, one and sixty-five one-hundredths percent (1.65%) per annum of Actively Invested Capital
- Tranche C Limited Partners, the sum of one percent (1.0%) per annum of Commitments plus one-quarter of one percent (0.25%) per annum of Actively Invested Capital;
- Tranche D Limited Partners, one and seventy-five one-hundredths (1.75%) per annum of Actively Invested Capital

After the Investment Period:

- Tranche A Limited Partners, one percent (1.0%) per annum of Actively Invested Capital
- Tranche B Limited Partners, one and sixty-five one-hundredths percent (1.65%) per annum of Actively Invested Capital
- Tranche C Limited Partners, one and one-quarter of one percent (1.25%) per annum of Actively Invested Capital
- Tranche D Limited Partners, one and seventy-five one-hundredths (1.75%) per annum of Actively Invested Capital

Commentary: For Tranche A, charging on Committed capital is abnormal for all private credit funds. Tranche B offers no charge on committed capital, but the fees are high vs many of its peers in the Opportunistic asset class of private credit.

Subscription Facility – Section 2.9 - The Partnership and General Partner shall be authorized to incur indebtedness and guarantee obligations under such terms as it may elect, including, but not limited to, on a joint and several basis with one or more Fund Vehicle(s), the Co-Investment Vehicle and/or any of their other subsidiaries or Affiliates, provided that the relevant parties shall agree to reimburse any party to the extent such party's repayment of the indebtedness is more than its pro rata share of such indebtedness. Subscription Facility shall not remain outstanding for more than ninety (90) days from the date of such borrowing, and in the aggregate shall not exceed the lesser of thirty percent (30%) of the total Commitments of the Partners and the total amount of Unfunded Commitments.

Commentary: RVK views this term as market.

Capital Contribution – Section 3.1 (a) & (b) - Each Partner shall be required to contribute cash to the Partnership up to an aggregate amount equal to such Partner's Unfunded Commitment from time to time, no Partner shall be obligated to make any contributions to the capital of the Partnership in excess of such Partner's Unfunded Commitment. No Partner shall be entitled to interest on its Capital Contributions. All payments by the Partners to the Partnership pursuant to this Section shall be made in United States dollars and in immediately available funds.

Initial Capital Contributions. On the date determined by the General Partner (in either case with at least ten (10) Business Days' prior written notice), each Partner shall contribute to the Partnership.

Commentary: RVK views this term as market.

GP Commitment – Section 3.1 (f) - The sum of the commitments made by the General Partner, its Affiliates and any of their respective direct and indirect owners, principals, officers and employees (including estate planning vehicles of the aforementioned individuals) to the Fund Vehicles (such sum, the "General Partner Commitment") will at the later of the Final Closing Date or the Extended Subsequent Closing Date (if any) equal at least one percent (1.0%) of the aggregate Commitments of the Feeder Limited Partners.

Commentary: RVK views this term as market. GPs typically contribute 1% of capital commitments.

Distributions – Section 3.3 - Investment Proceeds and Other Distributions shall be distributed to the Partners in accordance with the following provisions:

Investment Proceeds: giving rise to such distribution shall be apportioned among the Participating Partners in proportion to their Capital Contributions with respect to such Portfolio Investment (or portion thereof), and distributed or applied as follows:

- the amount so apportioned to the General Partner shall be distributed to the General Partner
- the amount so apportioned to each Limited Partner shall be divided between such Limited Partner and the Carry Recipient and distributed as follows:

Return of Capital and Costs: One hundred percent (100%) to such Limited Partner until such Limited Partner has received cumulative distributions of Investment Proceeds pursuant to this Section equal to the Capital Contributions made by such Limited Partner

Preferred Return: Second, one hundred percent (100%) to such Limited Partner until such Limited Partner has received cumulative distributions equal to the amounts described in subclause of this Section with a preferred return thereon of seven percent (7%) per annum, measured from the due date of the relevant Capital Contribution through the times at which distributions by the Partnership were made

GP Catch-Up: Third, one hundred percent (100%) to the Carry Recipient until the Carry Recipient has received cumulative distributions equal to the applicable Carried Interest Percentage of the amounts distributed pursuant to clause (B) and this clause (C) of this Section.

Carried Interest Split: Thereafter, the After-Carry Percentage to such Limited Partner and the applicable Carried Interest Percentage to the Carry Recipient.

Other Distributions: Related to a Temporary Investment shall be distributed among the Participating Partners in proportion to their Capital.

Commentary: RVK views this term as market.

Clawback – Section 3.3 (e) - On each date that a Limited Partner is obligated to return previously distributed amounts pursuant to a "LP Giveback Date" and immediately prior to the Termination of the Partnership, the Carry Recipient shall contribute to the Partnership, with respect to each Limited Partner, an amount equal to the Clawback Obligation with respect to such Limited Partner at such time, which amount shall be distributed to such Limited Partner.

The General Partner may, upon ten (10) Business Days' prior written notice, require a Partner to return distributions made for the purpose of satisfying such Partner's share of Partnership Expenses (it being understood that the General Partner shall use its reasonable efforts to reserve for expected Partnership Expenses) and the Partnership's indemnification obligations in the amount not to exceed the lesser of 33 1/3% of such Partner's Commitment and the aggregate amount of all distributions made by the Partnership to such Partner (excluding, with respect to the General Partner, Carried Interest Distributions).

Commentary: We do not see as many clawback clauses now and consider them below market.

Key Personnel Event – Section 4.5 - Shall mean any time prior to the expiration or termination of the Investment Period that either of David Chene or Darren Richman is no longer devoting substantially all of his business time to conducting the business of the Advisor and its Affiliates; provided that the foregoing shall not prevent David Chene or Darren Richman from participating in charitable, civic, educational, professional, community or industry affairs or managing his own personal investments or his family's personal investments. The General Partner shall promptly give written notice to the Limited Partners of the occurrence of a Key Person Event.

Commentary: David and Darren are the Co-Founders and Co-Portfolio Managers, so we view the Key Personnel Event clause as effective, considering if one were to leave, it would trigger the provision. One way to strengthen it would be to add all IC members; however, then two or three Key Persons would have to leave, which tends to weaken the Key Personnel Event clause.

RVK